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BUDGET VIEWS AND ESTIMATES FOR FISCAL YEAR 1989

A REPORT

SUBMITTED TO THE

BUDGET COMMITTEE

(Pursuant to section 301(c) of Public Law 93-344)

PREPARED BY THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

MARCH 1988

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LETTER OF TRANSMITTAL

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
March 25, 1988.

Hon. LAWTON CHILES, *Chairman,*
Hon. PETE V. DOMENICI, *Ranking Minority Member,*
Committee on the Budget,
Washington, DC.

DEAR CHAIRMAN CHILES AND SENATOR DOMENICI: In accordance with the provisions of section 301(c) of Public Law 93-344, we are enclosing the report of the Select Committee on Indian Affairs on administration budget requests for Indian programs for fiscal year 1989.

The recommendations the Select Committee on Indian Affairs is making in this report are for those programs over which the committee has authorizing jurisdiction. These include: Bureau of Indian Affairs, Indian Health Service, title IV of the Indian Education Act administered by the Department of Education, and the Administration for Native Americans in the Department of Health and Human Services.

The Select Committee also has oversight responsibility for the Indian housing programs administered by the Department of Housing and Urban Development and the Office of Native American Programs within the Department of Labor. Although the budgets for these programs are reported on by other Senate committees, the Select Committee on Indian Affairs has examined the President's Budget for Fiscal Year 1989 for those programs and has made recommendations consistent with overall Indian policy objectives and initiatives.

The Committee conducted an oversight hearing on the President's Budget Request for Indian programs for Fiscal Year 1989 on February 25, 1988, and received testimony from the Bureau of Indian Affairs, the Indian Health Service, the Department of Education, and the Department of Housing and Urban Development, as well as from national Indian organizations. The recommendations for funding contained in the Committee's report reflect the input and recommendations of tribal governments and tribal organizations from across the nation, consistent with the mandate for tribal consultation contained in the Indian Reorganization Act of 1934. In general, the Committee's recommended levels of funding for Indian programs are designed to maintain the fiscal year 1988 level of program effort.

We appreciate your close attention to the Committee's analysis of the President's Budget for Indian Programs for Fiscal Year 1989 and the recommendations related to funding and policy initiatives that are set forth in this report.

DANIEL K. INOUYE,
Chairman.
DANIEL J. EVANS,
Vice Chairman.

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INTRODUCTION

The Select Committee on Indian Affairs is the authorizing Committee for program operations of the Bureau of Indian Affairs [BIA] in the Department of the Interior, Indian Health Service [IHS] and Administration for Native Americans [ANA], in the Department of Health and Human Services [HHS], and the Office of Indian Education [OIE] in the Department of Education. In addition, the committee has oversight responsibility for operation of programs in other agencies affecting Indians, including the Indian Housing program of Department of Housing and Urban Development.

Specifically, Senate Resolution 4, the committee system reorganization amendments, charges the select committee as follows:

> It shall be the duty of the select committee to conduct a study of any and all matters pertaining to problems and opportunities of Indians, including but not limited to, Indian land management and trust responsibilities, Indian education, health, special services, and loan programs, and Indian claims against the United States.
>
> The select committee shall from time to time report to the Senate, by bill or otherwise, its recommendations with respect to matters referred to the select committee or otherwise within its jurisdiction.

In furtherance of this responsibility, the select committee on February 25, 1988, held oversight hearings on fiscal year 1989 budget submissions of the Bureau of Indian Affairs [BIA], the Indian Health Service [IHS], the Department of Housing and Urban Development [HUD], and the Department of Education.

The programs administered by the BIA, IHS, the Administration for Native Americans [ANA], HUD, and the Office of Indian Education, as well as those of other Federal agencies with Indian programs are of an extremely broad scope, literally spanning the breadth of Federal, state, and local government responsibilities, but with the additional responsibility for the protection and management of Indian trust resources for which the United States has a trust responsibility.

The Federal budget, as it relates to Indian programs, must be considered in the context of the unique relationship that the United States maintains with the Indian tribes and the Alaska Native communities.

Federal policy has long recognized that Indian tribes within the boundaries of the United States are "domestic, dependent nations." As such, the Supreme Court has held that the tribes have surrendered only those powers of sovereignty which are inconsistent with their dependent status. All other governmental powers still remain. As a result, Indian tribes are not political subdivisions of the states nor are they local governments within the meaning of

most State and Federal statutes. Rather, the tribes and the United States exercise a direct government-to-government relationship with one another.

In 1934, in furtherance of this policy, Congress enacted the Indian Reorganization Act (Act of June 18, 1934; 25 U.S.C. 461 et seq.) setting forth a new policy toward the Indian tribes and providing, among other things, for the political reorganization of the tribes in accordance with the terms of that act if the tribes so choose. In 1936, the provisions of this act, were extended to the Territory of Alaska (Act of May 1, 1936, 25 U.S.C. 473a) and a separate act with similar provisions pertaining to tribes in Oklahoma was enacted (Act June 26, 1936; 25 U.S.C. 501 et seq.)

In contrast with this Federal relationship, the historical relationship of Indian tribes and the States has been one of separation. Tribes are not political subdivisions of States and thus often do not receive funding assistance from State governments. In addition, in the absence of specific legislative directives, Federal pass-through moneys allocated to states all too frequently are not passed through to tribal governments. In examining Federal budget allocations or reductions in Indian programs, it is thus necessary to consider that (1) tribes do not generally receive supplemental funding from state governments on the same basis as county and municipal governments; (2) that tribes for the most part do not have other sources for raising revenues that state or local governments enjoy; and, (3) that there is a direct government-to-government relationship between the United States and Indian tribal governments. Thus, when Federal moneys for Indian programs are reduced or eliminated there is no replacement source to which the tribes can look.

A critical aspect of the government-to-government relationship of the United States with Indian tribal governments is the trust relationship and the obligations this legal relationship imposes on the United States not only with respect to the protection of trust resources but in assuring delivery of services to the Indian people at least commensurate with that delivered to non-Indian citizens. At the reservation level, this obligation is obvious. While it is less obvious, it is just as real for off-reservation programs. During the decade of the 1970's, Congress specifically recognized the needs of Indians living in urban and rural off-reservation areas. Thus, an Indian component was included in the Comprehensive Employment and Training Act [CETA] enacted in 1973; and is now carried forward as the Job Partnership Training Act; education benefits were extended to off-reservation Indians through the Indian Education Act of 1972; health programs consisting principally of outreach and referral but also of some direct care services were extended to off-reservation Indians through enactment of the Indian Health Care Improvement Act of 1976; and authorization of funding for Indian child welfare programs was provided with enactment of the Indian Child Welfare Act of 1978. Beginning in the 1960's, the Administration for Native American Programs within HHS has provided services to Alaskan Natives, Hawaiians, and American Indians both on and off reservations. Each of these programs was enacted after extensive hearings and on the basis of ascertained need of the service population which was not being met by state or local governments.

This budget report is provided in two parts: Part I provides in table form the Committee's recommendations for the next 5 year period for the major program categories; Part II is more detailed and provides both table format and text discussion of the fiscal year 1989 budget recommendations.

TABLE 1.—BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1989 BUDGET REQUEST

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Education (subfunction 501):								
School operations	189,443	186,985	187,502	195,161	203,358	211,899	220,797	230,069
Johnson O'Malley	20,351	20,400	20,400	30,160	31,427	32,747	34,122	35,555
Continuing education	28,640	25,816	24,191	27,061	28,193	29,282	30,615	31,902
Tribe/Agency Operations	32,829	32,882	32,551	34,223	35,661	37,158	38,719	40,346
Subtotal	271,263	266,083	264,644	286,605	298,644	311,186	324,253	337,872
Indian services (subfunction 452):								
Tribal government serv.	8,976	8,841	9,002	7,843	8,204	8,573	8,984	9,434
Social services	93,210	93,206	88,883	93,215	97,503	101,891	106,781	112,120
Law enforcement	4,286	4,016	4,015	3,015	3,154	3,296	3,454	3,620
Self-determination serv.	52,677	52,754	50,149	62,883	65,776	68,736	72,035	75,637
Employment development	2,473	2,465	2,227	2,627	2,748	2,871	3,009	3,160
Tribe/agency operations	120,776	120,986	116,336	127,987	133,874	139,899	146,614	153,945
Subtotal	282,398	282,268	270,626	297,570	311,259	325,266	340,877	357,922
Navajo-Hopi settlement (Subfunction 452):								
Subtotal	1,971	1,997	1,997	1,997	1,997	1,997	1,997	1,977
Economic development employment (Subfunction 245):								
Business enterprise dev.	10,561	10,525	3,636	7,000	7,322	7,651	8,019	8,420
Road maintenance	1,267	24,737	31,064	7,351	7,689	8,035	8,421	8,842
Tribe/agency operations	27,715	3,960	3,538	27,715	28,990	30,294	31,749	33,336
Subtotal	39,543	39,222	38,238	42,066	44,001	45,980	49,198	50,598
Natural resources development (subfunction 302):								
Natural resources, gen.	1,887	1,885	2,794	2,794	2,923	3,054	3,201	3,361
Agriculture	4,354	4,414	3,537	4,207	4,401	4,599	4,819	5,060
Forestry	37,490	37,423	27,852	31,002	32,428	33,887	35,514	37,290
Water resources	9,467	9,469	1,069	9,469	9,905	10,350	10,847	11,389
Wildlife and parks	14,540	14,676	10,880	14,676	15,331	16,042	16,812	17,653
Minerals and Mining	7,883	7,874	6,824	7,883	8,246	8,617	9,030	9,482
Irrigation and power	8,015	8,104	7,704	8,015	8,384	8,761	9,181	9,641
Tribe/Agency operations	62,374	61,792	59,310	62,162	65,002	67,948	71,208	74,770
Subtotal	146,010	145,637	119,970	140,208	146,660	153,258	160,612	168,646
Trust responsibilities (subfunction 452):								
Indian rights protection	12,738	12,725	18,761	11,261	11,779	12,309	12,900	13,545
Real estate and financial services	17,793	17,634	19,309	19,309	20,197	21,106	22,119	23,225
Tribe/Agency Operations	24,864	24,438	23,627	23,627	24,714	25,826	27,066	28,419
Subtotal	55,395	54,797	61,697	54,197	56,690	59,241	62,085	65,189

TABLE 1.—BUREAU OF INDIAN AFFAIRS FISCAL YEAR 1989 BUDGET REQUEST—Continued

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Facilities management (Subfunction 452): Subtotal	82,141	81,405	81,711	81,711	85,470	89,316	93,603	98,283
General Administration (Subfunction 451): Subtotal	92,035	94,651	99,533	95,163	99,541	104,020	109,011	114,463
Construction (Subfunction 452: Subtotal	83,225	82,947	56,793	79,297	82,708	86,347	90,317	94,654
Road Construction (subfunction 452): Subtotal	1,000	1,000	0	1,000	1,043	1,089	1,139	1,194
Total	1,054,981	1,050,007	995,209	1,079,814	1,128,013	1,177,700	1,232,083	1,290,818

TABLE 2.—INDIAN HEALTH SERVICE

[In thousands of dollars; fiscal years]

	1988 enacted	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Clinical service (subfunction 551):							
Hospital & health clinic	537,000	556,423	571,909	614,230	658,454	706,521	758,097
Dental services	28,974	30,318	30,767	33,043	35,442	38,027	40,803
Mental health	12,466	13,091	13,357	14,345	15,377	16,499	17,703
Alcoholism	29,335	30,959	57,075	61,298	65,711	70,507	75,654
Maintenance and repair	11,359	11,756	12,289	13,198	14,148	15,180	16,288
Contract care	198,481	208,335	212,415	228,133	244,558	262,144	281,565
Subtotal	817,615	850,882	897,812	964,247	1,033,690	1,108,878	1,190,110
Preventive health (subfunction 551):							
Sanitation	23,907	24,626	25,186	27,049	28,996	31,115	33,385
Public health nursing	14,113	14,467	14,710	15,798	16,935	18,171	19,497
Health education	4,413	4,651	4,754	5,105	5,472	5,871	6,299
Community health rep.	27,282	27,282	29,304	31,472	33,738	36,200	38,842
Hepatitis B	395	417	447	480	514	551	591
Subtotal	70,110	71,443	74,401	79,904	85,655	91,908	98,612
Urban health (551)	9,624	8,662	10,335	11,099	11,898	12,766	13,697
Indian health manpower (551)	7,646	7,646	9,224	9,906	10,699	11,480	12,318
Tribal management (551)	3,094	3,218	3,324	3,569	3,826	4,105	4,404
Direct operations (551)	41,392	42,471	43,318	46,523	49,872	53,512	57,418
Subtotal	61,756	61,997	66,201	71,097	76,295	81,863	87,837
Subtotal	949,481	984,322	1,038,414	1,115,248	1,195,640	1,282,649	1,376,559
Indian health facilities	62,511	2,450	62,235	60,000	60,000	60,000	60,000
Grand total	1,011,992	986,772	1,100,649	1,175,248	1,225,640	1,342,649	1,436,559

TABLE 3.—DEPARTMENT OF EDUCATION, TITLE IV, INDIAN EDUCATION ACT

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Title IV Program—Indian Education							
Part A:							
Formula grants	45,670	46,348	50,310	52,423	54,625	56,919	59,310
Discretionary grants	3,500	3,500	3,500	3,647	3,800	3,960	4,126
Part B (special programs)	11,707	11,807	12,199	12,711	13,245	13,802	14,381
Part C (adult education)	3,000	3,500	3,500	3,647	3,800	3,960	4,126
Part D (administration)	2,449	2,498	2,498	2,603	2,712	2,826	2,945
Total	66,326	67,653	72,007	75,031	78,182	81,467	84,888

Bureau of Indian Affairs, Department of the Interior

The Bureau of Indian Affairs [BIA] was created in the War Department in 1824 and in 1849 was transferred to the Department of the Interior. The history of the relationship between Indian tribes and the U.S. Government reveals that the mission of the BIA was founded on a government-to-government relationship and the trust responsibility. The Bureau, therefore, as an agent of the U.S. Government, recognizes a fundamental responsibility to American Indian tribes, Alaska Native groups, and the tribal form of government. The Bureau's mission is presently viewed as threefold: (1) to recognize and preserve the inherent rights of tribal self-government, to strengthen tribal capacity for self-government, and to provide resources for tribal government programs; (2) to protect the rights of Indian people in dealing with other governmental entities and the private sector; and (3) to fulfill and execute the Federal Government's responsibility for trust resources and property.

Programs administered by the Bureau of Indian Affairs are extremely broad in scope. The two largest programs, education and social service, account for approximately 52 percent of the BIA budget request for fiscal year 1989. Education alone accounts for nearly 26 percent of the budget. This does not include requests for construction of facilities or for the improvement and repair of school and related structures.

In addition to these programs, the BIA is responsible for management and protection of natural resources of individual Indians and the tribes, such as: forestry, agricultural lands, minerals and mining, fisheries and irrigation and power; maintenance of over 26,000 miles of paved and unpaved roads within the reservations; provision of law enforcement services and support of tribal courts; management of Indian trust funds totalling approximately $1.7 billion; provision of technical assistance and core support to tribes to enable the tribes to contract for and administer Federal programs; and provision of funds either through loans or grants to stimulate economic development on the reservations.

The Snyder Act of 1921 (42 Stat. 208; 25 U.S.C. 13) provided substantive authority for appropriations covering the activities of the Bureau of Indian Affairs. The scope and character of the authoriza-

tions contained in this Act were broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.); by the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450); by Amendments to Title XI of the Elementary and Secondary Education Amendments Act of 1978 (Public Law 95–561); by the Indian Child Welfare Act of 1978 (Public Law 95–608); and by the Tribally Controlled Community College Assistance Act of 1978 (Public Law 95–471, as amended).

The BIA budget justification discusses new "Federal Funds" for which an appropriation is sought, and expenditures of trust funds of Indian and Indian tribes including income derived therefrom. In fiscal year 1988, the total BIA appropriation was $1,071,406,000 as designated under the "Federal Funds" category. For "Permanent and Trust Funds", (that is, Indian trust funds and other receipts) the fiscal year 1988 authorization for expenditure was $391,382,000.

The breakout is similar for the fiscal year 1989 request: $1,026,207,000 for new appropriations of "Federal Funds" and $394,636,000 for the "Permanent and Trust Funds". Consequently, although the total appropriation request approximates $1.4 billion, about one-third of this sum is Indian-owned trust money or permanently appropriated miscellaneous receipts requiring no new budget authority. The fiscal year 1989 reduction from fiscal year 1988 in the BIA budget amounts to approximately $45 million. These reductions are spread throughout the BIA budget and are reflected primarily within the following Operational Indian program activities: Education (−$1.4 million), Indian services (−$11.6 million), economic development (−$.9 million) and natural resources development (−$25.6 million). Additional decreases are sought under the construction (−$26 million) and road construction (−$1 million) program activities.

This analysis of the BIA budget follows the format established within the document *United States Department of the Interior, Budget Justification, FY 1989, Bureau of Indian Affairs.* The budget justification for the Bureau of Indian Affairs in the Department of the Interior is divided into four major categories: (1) Operation of Indian programs, which includes most of the program activities of the BIA; (2) construction, which includes maintenance and repair of existing facilities and new construction of schools, irrigation projects and housing; (3) road construction, which includes both road maintenance and construction of new roads; and (4) miscellanous separate accounts authorizing expenditures for specific tribes or projects not within the Operation of Indian Programs.

Operation of Indian programs covers eight major subject areas or budget activities as follows: Education; Indian services; Navajo/Hopi settlement program; economic development; natural resources and development; trust responsibilities; facilities management; and general administration. A ninth major category separately displayed is construction. A summary analysis of the funding sought for each of these activities follows this introduction.

To establish the most accurate analysis of the BIA Budget, the Committee has compared the fiscal year 1989 base numbers with the fiscal year 1989 estimate figures. The base figures which are applied to fiscal year 1988 appropriation levels are the result of increases resulting from Federal Pay Act cost-of-living adjustments

or decreases which are based upon FERS (Federal Employee Retirement System) reductions, adjustments and internal transfers of certain BIA program activities to other categories. There are four proposed adjustments and 15 different internal transfers presented within the fiscal 1989 Budget Justification.

The budgeting format of the fiscal year 1989 justification is the same as the format for the fiscal year 1988 base which substantially improved comparative analysis. In the previous fiscal year the Bureau of Indian Affairs altered the budget format creating multiple problems in review and interpretation of program activities.

The responsibility for the provision of health care services to Indian people was transferred from the Department of the Interior to the Department of Health, Education and Welfare in 1955. The basis legislative authority for the provision of health care services contained in the Snyder Act of 1921 (25 U.S.C. 13) was supplemented with the enactment of the Indian Health Care Improvement Act in 1976 (25 U.S.C. 1601, et seq.).

Over the last 30 years, the Indian Health Service, an agency of the Public Health Service within the Department of Health and Human Services, has assumed the primary responsibility for raising the health status of Indian people to the highest possible level, as mandated by the Indian Health Care Improvement Act.

In fiscal year 1989, the President's budget request for the Indian Health Service proposes a 4.7-percent increase in clinical services, however the proposed level of funding will not allow the Indian Health Service to keep pace with the 7.4 percent increase in the costs of providing medical care as projected by the Consumer Price Index and the Congressional Budget Office.

ACTIVITY: Education

[In thousands of dollars; fiscal years]

Subactivity	1988 enacted to day	1989 baseline	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
School operations	189,443	186,985	187,502	195,161	203.358	211,899	220,797	230,069
Johnson-O'Malley	20,351	20,400	20,400	30,160	31,427	32,747	34,122	35,555
Continuing education	28,640	25,816	24,191	27,061	28,198	29,382	30,615	31,902
Tribe/agency operations	32,829	32,882	32,551	34,223	35,661	37,158	38,719	40,346
Total	271,263	266,083	264,644	286,605	298,644	311,186	324,253	337,872

In fulfillment of certain treaty obligations and the overall trust responsibility, the federal government provides education services to Indian students both through the Bureau of Indian Affairs and through the Department of Education. The BIA education services are provided to Indian students who are members of federally recognized tribes and who live on and near Indian reservations. Of all Indian students within the BIA's service population, 82 percent attend public schools, 7 percent attend private and parochial schools, and the remaining 11 percent are educated in schools operated either by the BIA or by tribes under Public Law 93-638 contracts with the BIA. There are 103 BIA schools, 64 contract schools and 14 peripheral dorms which serve Indian children who attend

public schools. The Indian School Equalization Program [ISEP] pays per student costs on a formula basis to all BIA and contracts. Thus, ISEP uses the bulk of the BIA education funds. The remainder of the education budget for BIA funds the Johnson-O'Malley program, adult education, higher education and scholarships.

Of the 39,592 students in BIA-funded schools operating in 23 States, about 54 percent are in the 57 BIA and contract boarding schools. According to the Bureau, they are in residence either because their families do not live within a 1½-mile radius of a public or BIA school bus route, or because of special social or academic factors, including poverty, family problems, or difficulties encountered in public schools.

In its fiscal year 1989 budget request, the BIA has proposed to maintain the 1988 base funding level of $159,350,000 for the 103 schools it now operates (including 46 boarding schools) and for the schools operated under contracts with tribes or tribal organizations. The request for fiscal year 1989 for all of the Bureau of Indian Affairs education programs is $232,093,000 and reflects a decrease of $4 million from the 1988 appropriated level for the entire BIA education program.

SUBACTIVITY: School operations

[In thousands of dollars; fiscal years]

Program elements	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
A. Indian School Equalization Programs:								
Indian school equalization formula	161,582	159,350	159,350	166,042	173,016	180,283	187,855	195,745
Indian school program adjustments	1,538	1,538	2,355	2,355	2,454	2,557	2,664	2,776
B. Education standards	300	300	0	0	0	0	0	0
C. Institutionalized handicapped	1,428	1,428	1,428	1,434	1,494	1,557	1,622	1,690
D. School board expenses	723	723	723	726	756	788	821	855
Training fund	512	512	512	514	536	557	580	604
E. Student transportation	11,962	11,852	11,852	12,352	12,871	13,412	13,975	14,562
F. Solo Parent Programs	108	108	108	112	117	122	127	132
G. Technical support:								
1. Agency & area office	8,466	8,348	8,348	8,698	9,063	9,444	9,841	10,254
2. Education MIS	424	424	424	426	444	463	482	502
H. Substance abuse/alcohol counselors	2,400	2,402	2,402	2,502	2,607	2,716	2,830	2,949
Total	189,443	186,985	187,502	195,161	203,358	211,899	220,797	230,069

A. Indian School Equalization Program

The committee recommends $166,042,000 for the Indian school equalization formula (ISEF) for fiscal year 1988. This figure is $6,715,000 more than the administration's request and was arrived at by adding the Congressional Budget Office [CBO] education inflation factor to the Administration's request. The committee again recommends forward funding for ISEP. In addition, the committee wants to emphasize that a decision about possible closure of the Phoenix Indian School will be made by the Congress and the Bureau should not anticipate closure until that decision is made.

A subpart of the ISEP account is the Indian School Program adjustments account which the committee recommends be funded at the requested level of $2,355,000. No inflation factor is necessary because of the nature of the activities included in the account. The committee notes with interest and approval the ongoing activity with respect to gifted and talented programs for Indian children in BIA funded schools and the recommended increase for this activity. The committee looks forward to working with the Administration to develop a stable and permanent program funding base for this purpose in future years.

B through H. (Standards, handicapped, school boards, transportation, solo parent, technical support and alcohol/drug abuse counselors).—For the remainder of the program elements of the school operations account the committee has accepted the administration's budget estimates but has included the CBO inflation factor in reaching recommended funding levels.

SUBACTIVITY: Johnson-O'Malley educational assistance

[In thousands of dollars; fiscal years]

Program elements	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
JOM educational assistance	20,351	20,400	20,400	30,150	31,427	32,747	34,122	35,555
Total	20,351	20,400	20,400	30,150	31,427	32,747	34,122	35,555

The committee recommends an increase of $9,760,000 for Johnson-O'Malley funding for fiscal year 1989 over the fiscal year 1989 budget request for this program. Of the $9,760,000 recommended additional funding, $6,000,000 represents restoration of funds erroneously cut in fiscal year 1986; $1,108,000 represents the application of a 4.2 per inflation factor to the 1988 base with the $6 million add-on; another $2,652,000 has been included to address the critical problems created by Public Law 99-228, an act of Congress that changed eligibility criteria for the program and resulted in a 13 percent increase in the number of students served by the Johnson-O'Malley program. During the fiscal year 1986 appropriations, process, Congress was given inaccurate information by the BIA concerning a projected "carry-over" of dollars to be availble to the JOM program in fiscal year 1986. This carry over was, in fact, mythical, but JOM nevertheless suffered a major funding increase of $5,813,000 in fiscal year 1986. This funding was not restored in either fiscal year 1987 or 1988 despite this committee's recommendation to the contrary. The committee is again strongly recommending that these funds be restored.

SUBACTIVITY: Continuing education

[In thousands of dollars; fiscal years]

Program elements	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
A. Post-secondary schools	13,862	11,038	11,038	11,502	11,985	12,488	13,013	13,560
B. Special higher education scholarships	1,910	1,910	1,500	1,990	2,074	2,161	2,251	2,346
C. Tribally controlled community colleges:								
Operational grants	12,368	12,368	11,653	13,048	13,596	14,167	14,762	15,382
Endowment	500	500	0	521	543	566	589	614
Totals	28,640	25,816	24,191	27,061	28,198	29,382	30,615	31,902

A. Post-secondary schools

The committee recommends funding for fiscal year 1989 at the base established by the BIA plus an inflation factor, bringing the total recommendation for this activity up to $11,502,000. The BIA base shows a $2,824,000 decrease from the actual fiscal year 1988 appropriation. The decrease represents the transfer of the American Indian Arts Institute in Santa Fe to its new status as an independent institution. This account provides operational costs for the Haskell Indian Junior College in Kansas and the Southwest Indian Polytechnic Institute in New Mexico.

B. Special higher education scholarships

The committee rejects the request to decrease funding for special higher education scholarships by $410,000. Instead the committee recommends a funding level of $1,990,000, or $80,000 above the 1988 appropriated level. This represents a 4.2 percent inflation factor. The committee notes that since 1986 there has been a 10 percent increase in the number of people participating in the program because of the Federal court ruling in *Zarr* v. *Barlow,* which extends eligibility to all students who are members of federally recognized tribes, regardless of their degree of Indian blood. The committee rejects the Department's proposal to fund only applicants in the "priority fields of study".

C. Tribally controlled community college

The Bureau has requested $11,653,000 for fiscal year 1989, distributed as follows:

Title I grants	$7,724,000
Title II (NCC)	3,813,000
Technical Asst	116,000
Endowments	0

The committee recommends funding of title I grants at $8,693,000, an increase of $809,000 over the administration's proposed level and $344,000 over the 1988 appropriations. This amount represents a 4.2-percent inflationary increase over the 1988 appropriations and an add on of $160,000 in anticipation that the Fond du Lac Tribal College in Minnesota will be approved for title I funding in fiscal year 1989. Further, the committee recommends

$4,234,000 for the Navajo Community College (title II), an increase of $421,000 over the request and a 4.2 percent increase over the 1988 appropriated level for this college. The committee recommends an inflationary factor increase for technical assistance and wishes to strongly state its objection to the proposal to cancel funding for the endowment program. There is no rational basis for the justification given for deleting these funds. The 1988 amount appropriated is a minimum amount needed for fiscal year 1989 along with a 4.2-percent inflation increase.

SUBACTIVITY: Education—tribe/agency operations

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
A. Scholarships	28,770	28,806	28,477	29,978	31,237	32,549	33,916	35,341
B. TOOC's Snyder Act supplement	918	932	932	971	1,012	1,054	1,099	1,145
C. Adult education	3,141	3,144	3,142	3,274	3,412	3,555	3,704	3,860
Total	32,829	32,882	32,551	34,223	35,661	37,158	38,719	40,346

The committee is pleased that the education related items in the tribe/agency budget are being displayed in the education function account. The committee recommends last year's appropriated funding level with an inflation factor for the three program elements in this subactivity.

ACTIVITY: Indian services

[In thousands of dollars: fiscal years]

Program	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Tribal government services	8.976	8,841	9,002	7,843	8,204	8,573	8,964	9,434
Social services	93,210	93,206	88,883	92,215	97,503	101,891	106,781	112,120
Law enforcement	4,286	4,016	4,029	3,015	3,154	3,296	3,454	3,626
Self-determination services	52,677	52,754	50,149	62,883	65,776	68,736	72,035	75,637
Employment services	2,473	2,465	2,227	2,627	2,748	2,871	3,009	3,160
Tribe/agency operations	120,776	120,986	116,336	127,987	133,874	139,899	146,614	153,945
Total	282,398	282,268	270,626	297,570	311,259	325,266	340,877	357,922

The funds contained in the tribe/agency operations line-item fund direct service activities located on Indian lands operated by BIA agencies, or through Public Law 93-638 self-determination contracts with Indian tribal governments. The tribe/agency operations funds constitute the funds contained in the "Indian Priority System." The Indian Priority System [IPS] allows tribes to prioritize resources according to local needs. Funds contained in the other line-items fund activities primarily carried out at the Central Office, at 12 area offices, or in various field offices.

The committee strongly opposes the unilateral reductions by the Bureau to funds in the Indian Priority System, and the unilateral removal of programs from the Indian Priority System. To the

extent that tribe/agency operations (Indian Priority System) funding is reduced, the level of services actually provided on Indian lands is reduced. Furthermore, on one hand, the Federal government encourages Indian tribes to more directly participate in local control of Federal services, including contracting those services under the authority of the Indian Self-Determination Act. But on the other hand, the fiscal year 1989 budget of the Bureau represents disproportionate reductions in the resources available in the Indian Priority System for local services. If the policy of Indian Self-Determination is to be maintained, then the funds and programs in the Indian Priority System must be protected from reductions and elimination.

The committee strongly disagrees with the Bureau's assertion that the proposed decreases in tribe/agency operations "result from the application of the Indian Priority System at the tribe/agency level." Given the fact that the BIA has reduced funds in the Indian Priority System by $7,532,000 from the base level (not counting the transfer of road maintenance funds out of the Indian Priority System), the result of the IPS rankings are bound to be extremely skewed in favor of disproportionate reductions to tribe/agency programs.

The committee disagrees with the Bureau practice of taking contract monitoring costs out of funds that would otherwise be included in funds for tribal self-determination contracts. This practice results in tribes receiving a lower level of funds to perform the same level of services that the Bureau would have provided under Federal operation of the same service. For example, the Bureau has taken $127,000 from the Oglala Sioux Tribe's law enforcement budget in order to pay for Federal contract monitoring costs. This is in violation of Section 106(h) of the Indian Self-Determination Act, which provides:

> (h) The amount of funds provided under the terms of contracts entered into pursuant to section 102 [contracts with the Bureau] and 103 shall not be less than the appropriate Secretary would have otherwise provided for his direct operation of the programs or portions thereof for the period covered under the contract: *Provided*, That any savings in operation under such contracts shall be utilized to provide additional service or benefits under the contract.

The committee recommends that the Bureau be required to identify the Federal contract monitoring costs associated with each Public Law 93-638 contract in place during fiscal year 1988, and to identify the source of those funds and the number of FTE's associated with each contract monitoring function. These costs should be identified by specific tribal contract and by agency for all tribes and BIA agencies in the United States. This data should form the basis for requiring the Bureau to identify all contract monitoring cost as a separate program element under the general administration activity.

The committee recommends that the Bureau clarify its budget structure and terminology. The committee agrees with the return of scholarships, tribal community controlled college supplements

and adult education back to the Education activity. The committee urges the BIA to settle on either the term "Tribal Services" or "Indian Services", but to refrain from switching back and forth in the text of the budget. The committee also recommends that the Committee on Appropriations maintain the separation of the Navajo/Hopi Settlement Program from the Tribal Services Activity.

SUBACTIVITY: Tribal government services

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
Aid to tribal government	6,285	6,337	6,278	5,778
Tribal courts	2,391	2,204	2,424	[1] 2,065
Substance abuse/alcohol judicial training	300	300	300	0
Total	8,976	8,841	9,002	7,843

[1] Transfer of $300,000 to tribe/agency Tribal Courts.

The committee recommends that the proposed "Institute for Tribal Government" not be funded. The Bureau proposes an appropriation of $500,000 and three FTE's for this institute. It does not appear to be appropriate to set up such an institute with Federal staffing. In the past, the Bureau has established centralized field facilities to assist tribes, such as the Office of Technical Assistance and Training in Brigham City, UT. Almost invariably, these centers were expensive to operate, and provided few benefits to tribes. Tribal governments currently have access to a wide range of technical assistance resources including private training organizations. Although such an institute may be a good concept in theory, the proposal for such an institute should come from the tribal governments, not from the Federal Government.

The committee recommends that the budget estimate be reduced by $359,000 and that the proposed "Judicial Services Center" not be funded. The committee disagrees with Bureau priorities to establish such a center, but at the same time to reduce funding for tribe/agency courts by $135,000. The need for adequate funding of tribal courts is a higher priority than the establishment of a new BIA center with additional FTE's.

The committee recommends that the $250,000 identified for the Substance Abuse Coordination Office be used to establish this office in the Office of the Assistant Secretary, as directed by the Anti-Drug Abuse Act of 1986 (Public Law 99-570, 100 Stat. 3207-141). The committee is concerned that the Congress has appropriated $22,500,000 in fiscal year 1987 and an additional $3,952,000 in fiscal year 1988. However, there appears to have been very little progress in addressing the problems of Indian juvenile alcohol and drug abuse. The committee urges that the Bureau be encouraged to make these concerns a higher priority.

The committee recommends that the $300,000 proposed for judicial substance abuse training be transferred to tribe/agency tribal courts to be used for initial funding for juvenile probation officers.

SUBACTIVITY: Social services

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
All other social services	2,163	2,140	2,149	2,149
Welfare assistance grants	91,047	91,066	86,734	91,066
Total	93,210	93,206	88,883	93,215

The committee recommends that $4,400,000 be restored to welfare assistance grants in order to continue to meet the need for adult institutional care in the State of Arizona. The BIA has proposed this reduction in anticipation of the transfer of responsibility for elderly and disabled Indians to the Arizona Health Care Cost Containment System [AHCCCS], a Medicaid demonstration project. However, the BIA has not identified how many of the custodial care clients are potentially eligible for AHCCCS. The State of Arizona and Indian tribal governments are currently working out arrangements to finance services provided to elderly and disabled Indians. These arrangements may include payments to tribal facilities for care of categorically eligible—AFDC and SSI recipients—Indian people. To propose a reduction of $4,400,000 at this time is premature, and may disrupt efforts by the State of Arizona and tribal governments to work out intergovernmental arrangements.

The committee recommends that $1,932,000 be restored for Indian Child Welfare Act grants in order to continue funding at the fiscal year 1988 level.

The committee recommends that the $2,000,000 proposed for the EARN demonstration program be deleted from the budget. This demonstration project is expected to be funded in fiscal year 1988 by funds reprogrammed from welfare assistance grants. The committee recommends that the BIA provide a report on the results of the projects before proceeding with additional funding.

SUBACTIVITY: Law enforcement

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
Law Enforcement—regular	3,036	3,015	3,028	3,015
Substance abuse/alcohol training	1,250	1,001	1,001	(1)
Total	4,286	4,016	4,029	3,015

[1] Transfer of $1,001,000 to tribe/agency Law Enforcement.

The committee recommends that the proposed request for an additional $13,000 and 2 FTE's for law enforcement—regular, area office operations be deleted from the budget. The committee disagrees with BIA budget priorities to increase area office operations and to reduce tribal/agency law enforcement by $2,047,000. Area office administrative costs should not be increased at the same time that direct, local services are decreased.

The committee recommends that the proposed $1,001,000 for law enforcement substance abuse training be transferred to tribe/agency law enforcement for initial staffing of the juvenile detention centers that are supposed to be constructed with anti-drug abuse funds.

SUBACTIVITY: Self-determination services

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
Training and technical assistance	1,090	1,167	1,083	1,083
Contract support—undistributed	47,787	47,787	46,266	58,000
Small tribes Core Management grants	3,800	3,800	2,800	3,800
Total	52,677	52,754	50,149	62,883

The committee recommends that contract support (indirect costs) be funded at $58,000,000 in fiscal year 1989, which is an increase of $11,734,000 over the base level. The BIA for many years has failed to pay indirect costs on Public Law 93–638 self-determination contracts with tribes. As a result, tribes with trust fund revenues must subsidize these administrative costs, which are a Federal responsibility. This decreases the amount of trust fund revenues that tribes can use for economic development. Tribes without trust fund revenues either operate at a deficit, then carry forward the underrecovery of indirect costs, or else are forced to reduce direct program services in order to comply with Federal requirements for audits, liability insurance, and management systems. Indirect cost rates for tribal governments are negotiated by the Department of the Interior Office of Inspector General in accordance with Office of Management and Budget circulars. The single greatest obstacle to successful implementation of the Federal policy of Indian self-determination has been the failure of the BIA to request adequate funds for tribal indirect costs.

The committee further recommends that the Office of Inspector General retain the responsibility for negotiating and approving tribal indirect cost rates, instead of transferring that responsibility to the Office of Planning, Budget and Administration. The Committee recommends that $400,000 of funds contained in the contract support program element be appropriated as follows: $250,000 for the purpose of funding 5 FTE's to increase the ability of the Office of Inspector General to meet the increased workload associated with negotiation, approval and audit of tribal indirect cost rates, and $150,000 for travel costs associated with on-site technical assistance to tribes, and to fund a national meeting among the Office of Inspector General, the Bureau of Indian Affairs, the Indian Health Service and Indian tribal governments regarding Federal indirect cost policies and procedures for Public Law 93–638 contracts.

The committee recommends that the BIA be prevented from excluding indirect costs on education funds passed through the Bureau of Indian Affairs from the Department of Education, including handicapped and chapter I funds and contracted by tribes

under Public Law 93-638 self-determination contracts. The BIA should negotiate an agreement with the Department of Education to pay indirect costs on those funds included in self-determination contracts with tribes before the BIA proposes to not pay indirect costs.

The committee recommends that the Committee on Appropriations change the term "contract support" to "indirect costs" to avoid any further confusion regarding the purpose of these funds. These funds are used to pay for indirect costs associated with Public Law 93-638 contracts, regardless of whether the indirect cost rate is a lump-sum agreement, a fixed carry-forward rate, a provisional-fixed rate, or a multiple rate agreement. The system of indirect cost rates on contracts with the Federal government is described in OMB Circular A-87. In the past, there has been extensive debate concerning the definition of "contract support costs."

The committee recommends that the $400,000 included as a part of contract support for "employee displacement costs" be funded instead under the program element "employee compensation payments."

The committee recommends that Small Tribes Core Management grants be funded in fiscal year 1989 at $3,800,000 which is the same level of funding as in fiscal year 1988. These funds have been very helpful to small tribes, many of whom have recently become federally-recognized and have not yet developed indirect cost rates. These funds enable small tribes to develop and implement financial and personnel management systems which are necessary for successful administration of self-determination contracts. The Bureau should be directed to spend the entire $3,800,000 for grants and should not be allowed to spend any of these grant funds to finance Central Office teams to travel around the country to provide technical assistance. If tribes need technical assistance, they can purchase such assistance from providers of their choice with their grant funds, or obtain such assistance from agency or area office personnel.

SUBACTIVITY: Employment development

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
Direct employment	332	325	321	321
Adult vocational training	2,141	2,140	1,906	2,306
Total	2,473	2,465	2,227	2,627

The committee recommends that the United Tribes Educational Technical Center be funded at $1,898,000 in fiscal year 1989.

SUBACTIVITY: Indian services—tribe/agency operations

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation
Adult vocational training	18,839	18,797	17,727	17,727
Other employment assistance—DE	2,932	2,944	2,790	2,790
Community services—general	2,003	2,013	1,571	1,571
Community fire protection	890	892	1,081	1,081
Tribal courts	9,256	9,650	9,515	10,950
Other aid to tribal governments	15,009	15,005	17,324	17,324
Social services	17,602	17,603	18,939	20,275
Law enforcement	46,937	46,872	44,825	49,873
Self-determination Grants	3,000	3,000	0	3,000
Self-determination training and TA	3,108	3,010	2,564	3,010
Tribally Designed Budget Initiative	1,000	1,000	0	0
Chitimacha Tribe	200	200	0	380
Total	120,776	120,986	116,336	127,987

The committee strongly disagrees with the proposed reduction of $4,650,000 from the fiscal year 1989 base level for tribe/agency operations. This subactivity supports direct services on Indian lands, and is the level at which resources are most needed, and most inadequate.

The committee recommends that tribal courts be funded at $10,950,000 in fiscal year 1989. This level consists of an increase of $1,000,000 over the fiscal year 1988 base, and a transfer of $300,000 from Tribal Government Services (substance abuse) to tribe/agency tribal courts. Tribal courts are essential components of tribal governments. Each tribal court should have the following positions in either a full-time or a part-time basis, depending upon population and workload conditions: judge, prosecutor, public defender, probation officer and court clerk. The BIA should be required to report to the Congress on minimum staffing needs for tribal court operations. The transfer of $300,000 should be used to fund juvenile probation officers in accordance with the purposes of the Anti-Drug Abuse Act (Public Law 99–570).

The committee recommends that tribe/agency social services be funded at $20,275,000 in fiscal year 1989. The committee agrees with the request of an additional $1,336,000 over the fiscal year 1989 base level to fund 83 FTE's for Bureau-operated programs, but notes that none of this increase would be available for tribal-operated programs. Therefore, the committee recommends an additional $1,336,000 over the estimate for the purpose of reducing child welfare caseload levels for tribal social services programs operated under Public Law 93–638 self-determination contracts.

The committee recommends that tribe/agency law enforcement be funded at $49,873,000 in fiscal year 1989. This level restores the proposed reduction of $2,047,000; adds $2,000,000 over the fiscal year 1989 base; and transfers $1,001,000 from central office law enforcement services (substance abuse) to tribe/agency law enforcement. Law enforcement services are an essential component of tribal government operations. Given the numerous requests that have come in during last year's appropriations process for add-ons

for specific tribal law enforcement programs, it is inconceivable that the level of need would have decreased from fiscal year 1988. Furthermore, the additional funds that were appropriated for specific tribal law enforcement programs during the past 3 years should be continued as on-going base funding for those tribes. The BIA should stop treating congressional add-ons for tribal law enforcement programs as one time additions. The transfer of $1,001,000 should be used for initial staffing of the juvenile detention centers to be constructed in accordance with the Anti-Drug Abuse Act (Public Law 99–570).

The committee recommends that self-determination grants be funded at $3,000,000 in order to continue these grants at the same level as fiscal year 1988.

The committee recommends that funding for self-determination training and technical assistance be maintained at the fiscal year 1989 base level of $3,010,000. These funds enable the BIA to provide needed technical assistance to tribes in the areas of contract administration and financial management.

ACTIVITY: Navajo-Hopi settlement program

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991
Navajo-Hopi settlement program	1,971	1,997	1,997	1,997	1,997	
Total	1,971	1,997	1,997	1,997	1,997	

The program carries out the provisions of Public Law 93–531, the Navajo-Hopi Settlement Act of 1974, as amended. The program's primary objectives are to protect the rights of relocatees, to reduce livestock to carrying capacity, and to restore the management and grazing capacity of rangelands lying within the former Joint Use Area. The administration proposes a $26,000 increase from its fiscal year 1989 base. Restoration of the Hopi partitioned lands was scheduled to be completed in fiscal year 1989 but it is now projected that restoration of all lands in the former joint use area will not be completed until fiscal year 1991. The committee accepts the fiscal year 1989 request.

ACTIVITY: Economic development and employment programs

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Employment development				0	0	0	0	0
Business enterprise development	10,561	10,525	3,636	7,000	7,322	7,651	8,019	8,420
Road maintenance	1,267	24,737	31,064	7,351	7,689	8,035	8,421	8,842
Tribe/agency operations	27,715	3,960	3,538	27,715	28,990	30,294	31,749	33,336
Total	39,543	39,222	38,238	42,066	44,001	45,980	48,189	50,598

Indian Business Development Program

The Indian Business Development Program provides grants to Indian tribes and Indian individuals for the purpose of: (1) initiating business development of tribal resources; (2) encouraging non-Federal investment; (3) promoting sound business principles; (4) reducing tribal dependence of the Federal Government; and (5) promoting private sector development on reservations.

The administration has requested that no funds be requested for this activity in fiscal year 1989 as the Bureau will be emphasizing its loan programs and increasing the volume of loans on reservations as the primary means of boosting Indian economies. The amounts provided in the Guaranteed Loan Program will support increased loans of $11,500,000 over the fiscal year 1988 level. Applicants will be provided additional technical assistance, through increases being proposed in the credit and financing program, to identify potential sources of private sector financing. (See the following chart:)

Appropriations/Budget authority

Fiscal year 1987 actual	$7,500,000
Fiscal year 1988 estimate	7,000,000
Fiscal year 1989 estimate	0
Difference − or +	−7,000,000

The committee recommends that the $7 million grant program be continued since it has proven to be a very effective method of supporting small businesses on reservations where there is often no other source of investment capital. When these grant funds are used properly as modest injections of equity capital; that is, usually no more than 20 percent of the business start-up or expansion costs, a $7 million account can help a great many businesses.

On the other hand, the administration proposal to allocate the $7 million for guaranteed loan subsidies has not been justified. A Federal guarantee, as in the case of Small Business Administration guarantees, should be sufficient to enable banks to make loans to Indian businesses. The subsidy often makes the loan extraordinarily profitable for such banks without particularly benefiting the Indian borrower. Consequently, the Committee recommends that the grant program be continued.

Indian Development Finance Corporation

On March 3, 1988, the Senate Select Committee on Indian Affairs approved S. 721, a bill to establish an Indian Development Finance Corporation. The committee anticipates that this bill will be passed by the Congress before the end of fiscal year 1988 and consequently recommends that fiscal year 1989 funding be provided.

The Indian Development Finance Corporation is intended to provide for and promote the economic development of Indian tribes by furnishing the necessary capital, financial services, and technical assistance to Indian-owned business enterprises and to stimulate the development of the private sector of Indian tribal economies. This assistance has been long awaited by Indian tribes and should be implemented as soon as possible.

The committee recommends that the corporation be funded in fiscal year 1989 at $14.5 million. This total is broken down as follows:

General operation expenses	$2,000,000
Project development	2,500,000
Paid-in capital stock	10,000,000

ACTIVITY: Natural resources development

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Natural resources, general	1,887	1,885	2,794	2,794	2,923	3,054	3,201	3,361
Agriculture	4,354	4,414	3,537	4,207	4,401	4,599	4,819	5,060
Forestry	37,490	37,423	27,852	31,002	32,428	33,887	35,514	37,290
Water resources	9,467	9,469	1,069	9,469	9,905	10,350	10,847	11,389
Wildlife and parks	14,540	14,676	10,880	14,676	15,351	16,042	16,812	17,653
Minerals and mining	7,883	7,874	6,824	7,883	8,246	8,617	9,030	9,482
Irrigation	8,015	8,104	7,704	8,015	8,384	8,761	9,181	9,641
Tribe/Agency Operations	62,374	61,792	59,310	62,162	65,022	67,948	71,208	74,770
Total	146,010	145,637	119,970	140,208	146,660	153,258	160,612	168,646

This budget activity is composed of seven subactivities or program elements: Natural resources, general; agriculture; forestry; water resources; wildlife and parks; minerals and mining; and irrigation. A separate request for a portion of funding for each of these programs is made for tribe/agency operations under this activity.

The administration proposes an overall decrease of $21,735,000 from fiscal year 1988 appropriations for Natural Resources Development, and a reduction of 30 FTE's.

SUBACTIVITY: Natural resources, general

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Natural resources, general	1,887	1,885	2,794	2,794	2,923	3,054	3,201	3,361
Total	1,887	1,885	2,794	2,794	2,923	3,054	3,201	3,361

The major function of this program element is to provide direction and support in the planning and management of renewable resources of Indians. The major focus of the program is to provide data and data analysis for multiresources disciplines.

The administration proposes an increase of $909,000 for natural resources, general, but a reduction of seven FTE's at the area office level. The administration proposal reflects an increase of $1,075,000 for field operations and a decrease of $166,000 for area office operations. The increase is proposed to implement a major initiative begun in April 1986 to develop a major data base on Indian resources known as the Indian Integrated Resources Information Program [IIRIP]. A companion part of this information base is a geo-

graphic information system [GIS]. Resources involved in these systems are water, wildlife, fish, agriculture, forestry, grazing, and minerals.

The committee accepts the administration's estimates for this program.

SUBACTIVITY: Agriculture

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Agriculture	4,354	4,414	3,537	4,207	4,401	4,599	4,819	5,060
Total	4,354	4,414	3,537	4,207	4,401	4,599	4,819	5,060

The BIA Natural Resources Program provides a wide range of services for the management, use and protection of natural resources on Indian reservations. This includes approximately four-fifths of the Indian trust land base which is used directly by Indian farmers or ranchers or leased to non-Indian operators for agricultural use. The use of Indian land by non-Indian renters provides a significant contribution to the income of both individual allottees and tribal governments. This division of the BIA is also responsible for forestry, fish, wildlife, and parks, water resource development and hazardous waste activities on reservations. The fiscal year 1988 budget for the Forestry and Agriculture line-item was $67,738,000. The administration's request for fiscal year 1989 is $46,132,000. The Committee recommends restoration of the fiscal year 1988 base in addition to increased funding for specific purposes.

The BIA budget includes a request of $700,000 for agriculture technical assistance centers. The committee agrees that increased technical assistance is warranted for Indian agricultural activities. The committee supports the administration's request for $700,000, but does not agree with BIA's proposed use of these moneys. The committee supports the request for $700,000 provided that the following activities be conducted with the funding:

(1) Continued funding of the Intertribal Agriculture Council. In the fiscal year 1988 budget, $250,000 was provided to support the new Intertribal Agriculture Council [IAC] which was organized as a result of the report presented to Congress as required by Public Law 99-190 which directed the BIA to develop long-term strategies to address the effectiveness of its management of Indian agricultural resources. The committee believes that the new IAC should continue to receive funds in the amount of $250,000, in the form of a grant for the purposes of the organization as established in fiscal year 1988.

(2) Development of BIA supported agricultural extension-type services on reservations. The BIA's Public Law 99-109 report to Congress also identified the need for agricultural extension services for Indian reservations. The committee notes that in 1981, $2.5 million was made available through the Department of Agriculture for extension service activity to benefit Native American farmers. By 1987 that amount had been reduced to $605,000. Extension services

available through the BIA were also reduced during this period. The committee concurs with the Administration request for funding of this activity and would support efforts of the BIA to develop demonstration programs on selected reservations to provide agricultural extension services. The committee notes that the tribally controlled community colleges could play a significant role in this effort.

(3) Recommendations for increasing the number of Native Americans in the natural resources field. The Committee notes that by 1995, approximately 70 percent of the existing BIA natural resources staff will need to be replaced because of retirement. There is a shortage of trained Native Americans in the natural resources and technical fields and a need to support educational efforts to provide such training. As an illustration of the problem, the United States Soil Conservation Services hoped to hire 50 Native American technicians this year and has been unable to find enough trained Native Americans to fill the positions. The Committee urges that with the funds available for the agriculture technical centers the BIA conduct a study and provide the Congress with recommendations on how to recruit and train more Native Americans in the renewable natural resources fields. In addition, the BIA should take steps in fiscal year 1989 to work with existing tribal and community colleges to begin this task.

In fiscal year 1988, $730,000 was appropriated for the control of noxious weeks. This was the first year of funding for the noxious weed control program. For fiscal year 1989 the administration requests only $330,000—a reduction of $400,000—and states that a comprehensive survey will be conducted in this fiscal year to identify critical weed infested areas on Indian lands. The committee disagrees with this request. The problem of noxious weeds is well known, particularly in the Great Plains region, and should not require a five year plan to undertake noxious weed eradication or control. The committee recommends that this program be funded at no less than $1 million—an increase of $670,000.

SUBACTIVITY: Forestry

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Forestry	37,490	37,423	27,852	31,002	32,428	33,887	35,514	37,290
Total	37,490	37,423	27,852	31,002	32,428	33,887	35,514	37,290

The BIA forestry program is responsible for the management of over 14 million acres of forest land on 115 Indian reservations. Of this amount, 5.8 million acres have been identified as commercial forest land with an annual allowable cut of 1.03 billion board feet. The total funding request for the forestry program consists of $27,852,000 for forestry and fire suppression and $18,070,000 for tribe/agency operations.

The administration's budget request for forestry and fire suppression represents a reduction of $9,571,000 and a reduction of 44

FTE's. This includes a reduction of $221,000 for area office operations, $3,150,000 and 20 FTE's for forest development, and $6,300,000 and 24 FTE's for fire suppression.

The administration proposed a reduction of $3,150,000 in the BIA Forest Development Program in its budget request for fiscal year 1988. The proposed reduction was opposed strongly by the Select Committee on Indian Affairs. Once again, the committee opposes the proposed reduction of $3,150,000 in the BIA Forest Development Program. The proposed reduction would delay elimination of the reforestation backlog from the present target of 1995 until several years into the next century. The proposed reduction would reduce substantially field capability (both contracting and direct employment) for thinning and reforestation. The Forest Development Program is intended to alleviate reforestration needs caused by past mismanagement of Indian forest lands. This program deserves the highest priority, and every effort should be made to eliminate the reforestation backlog at the earliest possible date.

The committee also opposes the administration proposal to reduce the Timber Sale Program by $2,454,000 from the base level for fiscal year 1989. The administration proposes a reduction of 12 percent in funding and 4 percent in FTE's. Nevertheless, the administration suggests that it will offer 850 million board feet of timber, and harvest 820 million board feet, increases of 6.25 percent and 8.6 percent respectively. Even given the increase in value of timber over last year, the committee is skeptical that 50 million board feet of timber more than last year can be offered and 65 million board feet more can be harvested given the proposed reductions in funding and FTE's.

SUBACTIVITY: Water resources

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Water resources	9,467	9,469	1,069	9,469	9,905	10,350	10,847	11,389
Total	9,467	9,469	1,069	9,469	9,905	10,350	10,847	11,389

The water resources program supports the development of tribal water resources for irrigation, municipal and industrial purposes.

The administration request proposes to eliminate funding for water management and development, for which Congress appropriated $9,000,000 for fiscal year 1988. The administration request assumes the transfer of $7,500,000 to water rights negotiation/litigation for activities undertaken on behalf of tribes whose water rights are at risk.

The committee opposes this reduction, and recommends that funding be provided for water resource development at last year's level. The administration justifies this reduction by arguing that ". . . water resource development should only be considered after federally reserved water rights of a significant number of tribes have been resolved." The committee is extremely troubled by this view. The Federal Government has a trust responsibility to each

federally recognized Indian tribe, and it seems inequitable and inappropriate to force a tribe to delay its plans for water development until other tribes are prepared to develop their water resources.

SUBACTIVITY: Wildlife and parks

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Wildlife and parks	14,540	14,676	10,880	14,676	15,351	16,042	16,812	17,653
Total	14,540	14,676	10,880	14,676	15,351	16,042	16,812	17,653

The administration proposes funding of $10,880,000 for wildlife and parks, a reduction of $3,660,000 from fiscal year 1988 appropriations of $14,540,000. The administration request anticipates reductions of $4,312,000 for Special Fish Management Programs, including the elimination of funding for the timber/fish/wildlife initiative ($2,000,000 in fiscal year 1988) and reductions of $1,270,000 for the Great Lakes Indian Fish and Wildlife Commission and $443,000 for implementation of the United States-Canada Salmon Interception Treaty. Furthermore, the administration request proposes to eliminate funding for cyclical maintenance of fish hatcheries, which received $857,000 in fiscal year 1988, and the return to the BIA of the five hatcheries transferred from the BIA to the USFWS in the fiscal year 1988 Continuing Resolution.

The committee objects in the strongest possible terms to the "general retreat" of the administration from programs to protect and enhance tribal fish and wildlife resources. This includes especially the massive reductions from the so-called special fishery management programs. These programs were undertaken to resolve conflicts between Indian tribes and states and, in the case of the United States-Canada Salmon Interception Treaty, with foreign governments. These programs are examples of the cooperative efforts to resolve disputes that should be encouraged, rather than opposed by the Federal Government.

SUBACTIVITY: Minerals and mining

[In thousands of dollars; fiscal years]

	1988 enacted to data	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Minerals and mining	7,883	7,874	6,824	7,883	8,246	8,617	9,030	9,482
Total	7,883	7,874	6,824	7,883	8,246	8,617	9,030	9,482

SUBACTIVITY: Irrigation

[In thousands of dollars; fiscal year]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Irrigation	8,015	8,104	7,704	8,015	8,384	8,761	9,181	9,641
Total	8,015	8,104	7,704	8,015	3,384	8,761	9,181	9,641

For fiscal year 1989 the administration proposes to reduce the Energy and Mineral Assessments Program by $1,059,000. This reduction will come from the budget for tribal and special projects which is reduced from $5,724,000 to $4,674,000. In the past, phase II mineral studies which are undertaken when favorable conditions for significant mineral development have been identified, have been performed by the U.S. Geological Survey or the Bureau of Mines. For fiscal year 1989, the administration proposes to contract directly with tribes to perform these functions under the Tribal and Special Projects budget. The committee disagrees with the proposed reduction for this effort and recommends that Minerals and Mining Program be funded at the same level as fiscal year 1988—$7,883,000. In addition, the Committee notes that in fiscal year 1988 funds were made available to the Council of Energy Resource Tribes through an Inter-agency Agreement with the Department of Energy. The committee urges continued funding of CERT at the fiscal year 1988 level through this mechanism. The committee accepts the administration's request for irrigation operation and maintenance.

SUBACTIVITY: Natural Resources Development—Tribe/agency operations

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Natural resources, general	1,554	1,554	1,405	1,405	1,470	1,536	1,609	1,690
Agriculture	20,180	19,933	20,313	20,313	247	22,204	23,269	24,433
Agricultural Extension Services	448	331	473	473	495	517	542	569
Forestry	20,842	20,524	18,070	20,608	21,556	22,526	23,607	24,788
Water resources	1,266	1,272	1,108	1,272	1,331	1,390	1,457	1,530
Wildlife and parks	16,451	16,563	16,413	16,563	17,325	18,105	18,974	19,922
Minerals and mining	1,633	1,615	1,528	1,528	1,598	1,670	1,750	1,838
Total	62,374	61,792	59,310	62,162	65,022	67,948	71,208	74,770

ACTIVITY: Trust responsibilities

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Indian Rights Protection	12,738	12,725	18,761	11,261	11,779	12,309	12,900	13,545
Real Estate/Financial Trust	17,793	17,634	19,309	19,309	20,197	21,106	22,119	23,225

ACTIVITY: Trust responsibilities—Continued

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Tribe Agency Operations	24,864	24,438	23,627	23,627	24,714	25,266	27,066	28,419
Total	55,395	54,797	61,697	54,197	56,690	59,241	62,085	65,189

The trust responsibilities budget activity is composed of two major subactivities: Indian rights protection and real estate/financial trust services. Program elements of Indian rights protection are: Environmental quality and rights protection. Program elements of real estate/financial trust services are: Trust services general, real estate services, and financial trust services. A separate requst for a portion of funding for each of these programs is made for the tribe agency operations subactivity.

ACTIVITY: Trust

SUBACTIVITY: Indian rights protection

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Environmental quality	567	566	666	666	697	728	763	801
Indian Rights protection	12,171	12,159	18,095	10,595	11,082	11,581	12,137	12,744
Total	12,738	12,725	18,761	11,261	11,779	12,309	12,900	13,545

The Indian rights protection subactivity is composed of two program elements: Environmental quality, and Indian rights protection. The objectives of the Environmental Quality Program are to comply with a number of acts dealing with environmental quality such as NEPA and historic preservation and protection required by such statutes as the Archeological Resources Protection Act. Funding for the program is split about evenly between the central and area office level and the tribe/agency operations level. The administration proposes a minor increase in funding for this program. The committee accepts the administration's estimate for this program, however the Committee recommends that $175,000 be allocated for information dissemination and policy Analysis to be conducted under contract with the National Congress of American Indians.

There are seven program elements that fall within the Indian rights protection program: ANILCA programs; ANCSA historical cemetery sites; litigation support; water rights negotiation/litigation; attorney fees; unresolved rights issues; and hunting and fishing rights. The administration request will continue to support the ANILCA programs at the fiscal year 1988 level. A slight reduction in the ANCSA historical cemetery sites program is proposed. The

unresolved rights program and the hunting and fishing rights program will also be funded at the fiscal year 1988 level. The committee accepts the administration request for funding of these programs.

The administration request proposes to reduce funding for the litigation support program from $1,800,000 appropriated in fiscal year 1988 to $1,180,000 in fiscal year 1989—a reduction of $700,000. The litigation support program provides information and evidence required by the United States in participating in litigation involving Indian rights. Support is also provided to tribes where they are separately represented because of conflicts of interests with the United States. The attorney fees program for funding of outside attorneys is also a part of the litigation support effort, providing support for separate representation of the tribes in the event of conflicts of interest with the United States or where the Attorney General otherwise declines to represent tribal interests. The administration proposes to reduce funding for this program from $1,650,000 to $1 million—a reduction of $650,000.

The proposal to decresae funding for the litigation support by $700,000 is a reduction of effort of approximately 40 percent. In explanation of this reduction it is stated that the reduction reflects the onetime costs of the Puyallup land claims negotiations (−$400,000), and the deletion of funds (−$300,000) formerly used for the Alaska Native legal services contract which has been terminated. In explanation for the proposed reduction of $650,000 for the attorney fees program, it is stated that the reduction reflects the reduction of $500,000 to pay outstanding attorney's fees for the Navajo and Hopi tribes, and that the remainder of the funds requested should be sufficient to meet requests. The committee expresses no position on these proposed reductions but invites further attention of the Appropriations Committee.

The major change in the Indian rights protection budget activity is an increase of funding for water rights negotiation/litigation in the amount of $7.5 million. The source for the increase in funding for water rights negotiation/litigation activity is the water resources activity under natural resources (See pps 130–31, Justification) where the budget activity for water management and development is decreased by $9 million, thus eliminating that program for fiscal year 1988. In justifying this request the Department states at page 170 of the justification that "funding for water resources development should only be considered after federally reserved water rights of a significant number of tribes have been resolved."

The committee does not agree with the proposed elimination of the water resources activity and does not agree with the proposed transfer of funds from that activity of the water rights negotiation/litigation activity. The committee therefore recommends that the water rights negotiation/litigation program be funded at the fiscal year 1988, level of $2,853,000—a reduction of $7.5 million from the administration's request.

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SUBACTIVITY: Real estate/financial trust services

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Trust services general	1,365	1,354	1,070	1,070	1,119	1,170	1,226	1,287
Real estate services	10,346	10,309	11,403	11,403	11,928	12,464	13,063	13,716
Financial trust services	6,082	5,971	6,836	6,836	7,150	7,472	7,831	8,222
Total	17,793	17,634	19,309	19,309	20,197	21,106	22,120	23,225

The Trust Services General Program provides general management and technical assistance on matters effecting trust assets. This subactivity is composed of three program elements: Trust services general; real estate services; and financial trust services. There are no new major program initiatives in this request and no major changes from fiscal year 1988 funding levels.

The real estate services program is responsible for the maintenance of land titles, heirship data and property income data for over 200,000 tracts and separate records on 2 million ownership interests. An increase of $1 million is sought to enhance the Land Records Information System effort. The Committee agrees with the need to upgrade the land title records. The Committee accepts the administration's estimate for this program.

The objective of the financial trust services program is the investment, accounting and disbursing of approximately $1.7 billion of trust funds owned by Indian tribes or by individual Indians. A slight increase in funding for this program over the fiscal year 1988 level is requested. The committee accepts the administration's estimate for this program.

SUBACTIVITY: Tribe agency operation

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Trust Services General	373	372	395	395	413	432	452	475
Environmental Quality	692	669	659	659	689	720	755	793
Other Rights Protection	3,533	3,427	3,167	3,167	3,313	3,462	3,620	3,809
Real Estate Appraisals	3,645	3,566	3,327	3,327	3,480	3,637	3,811	4,002
Other Real Estate Services	16,621	16,404	16,079	16,079	16,817	17,575	18,419	19,340
Total	24,864	24,438	23,627	23,627	24,712	25,826	27,057	28,419

The tribe agency operations subactivity consists of five program elements: trust services, general; environmental quality; other rights protection; real estate appraisals; and other real estate services. There are minor reductions in funding for these programs from fiscal year 1988. While the committee accepts the administration's estimates for these programs, the Committee is concerned with the current status of maintenance of the land title records. The committee notes that funding for the other real estate services program is reduced by $325,000 from fiscal year 1988 and this re-

duction is attributed to the tribal input through the Indian priority system. Maintenance of land titles is a fundamental aspect of the trust responsibility and the committee urges the Department to examine its staffing needs in this critical area.

ACTIVITY: Facilities management

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
GSA rentals	9,936	9,941	9,941	9,941	10,399	10,866	11,388	11,957
Facilities operation and maintenance	72,205	71,464	71,703	71,703	75,001	78,377	82,138	86,245
New facilities	0	0	67	67	70	73	77	81
Total	82,141	81,405	81,711	81,711	85,470	89,316	93,603	98,283

The committee disagrees with the Bureau's priorities for expenditure of facilities operation and maintenance funds. The Bureau proposes to decrease funding for existing facilities operation and maintenance (−$1,000,000) as a result of a transfer of operation and maintenance funds to area office staff (+$1,239,000). The committee recommends that $1,000,000 be restored for existing facilities operation and maintenance and that the transfer of $1,239,000 for area office facilities management be denied.

The existing facilities operation and maintenance program provides essential services to approximately 4,000 Federal buildings (including tribally contracted schools, and excluding staff quarters). These buildings include: school classrooms, administrative offices, cafeterias, gymnasiums, dormitories; agency administrative and program offices; law enforcement and detention facilities; and the grounds and streets associated with these buildings. On-going preventive maintenance of these facilities is necessary to protect the Federal property.

In fiscal year 1988 the Bureau requested, and received, a reduction (−$6,000,000) in existing facilities operation and maintenance funds, based upon anticipated savings. The Bureau should report back to the Congress on whether these anticipated savings have been achieved, and whether the Bureau has met all needs for operation and maintenance of existing facilities, before any further reductions are allowed. The committee is concerned that savings will not be realized, and that the costs of facilities operation and maintenance will be transferred to program accounts.

ACTIVITY: General administration

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Management and administration	37,469	37,180	38,316	38,316	40,079	41,882	43,892	46,087
ADP service	16,814	16,761	19,631	14,861	15,545	16,244	17,024	17,875
Employment compensation payments	11,503	15,130	14,962	25,362	16,068	16,792	17,598	18,478
Program management	6,023	5,934	5,814	5,814	6,081	6,355	6,660	6,993
Consolidated training programs	840	840	840	840	879	918	961	1,010

ACTIVITY: General administration—Continued

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Tribe/agency operations	19,386	18,806	19,970	19,970	20,889	21,829	22,876	24,020
Total	92,035	94,651	99,533	95,163	99,541	104,020	109,011	114,463

SUBACTIVITY: Automatic Data Processing Services

The committee recommends a funding level of $14,861,000 for automated data processing [ADP] services. This includes $5,763,000 for central management—104 FTE's, $7,250,000 for central management system support, and $1,848,000 for decentralized system support—40 FTE's. The committee recommends that funding requests be denied for equipment acquisition ($500,000), software development and training ($700,000), the hardware requirements analysis task force ($500,000), the systems improvement initiatives ($400,000) and field system equipment replacement ($2,000,000). The committee recommends that the Department of the Interior and the Congress closely examine the benefits of ADP expenditures of approximately $17 million per year for the past 5 years. The request for 21 additional FTE's for central management should be denied.

The committee supports the need to develop a responsive information management system for the Bureau and for tribes. However, the committee questions whether the existing Office of Data Systems has developed a system that supports the management of Bureau programs at the local agency and tribal levels.

The committee questions the growth of personnel for the central office from 91 FTE's in fiscal year 1987 to a proposed level of 125 FTE's in fiscal year 1989. It appears that the Office of Data Systems is building a large bureaucracy in the central office, instead of building a decentralized system that is responsive to the needs of both central office and field managers. The committee questions whether the Bureau maintains an ADP review committee, similar to that used by other Federal agencies, for the purpose of providing management review of proposed ADP equipment purchases. The committee notes that the Bureau received $400,000 in fiscal year 1988 for a hardware requirements analysis task force, and requests another $500,000 in fiscal year 1989 for the same task force. The committee believes that the Bureau should identify the purpose of the task force, its membership, to whom it reports, and when it expects to complete its hardware requirements analysis. The committee notes that the Bureau requests funds for equipment acquisition at the same time that the Bureau requests funds for hardware requirements analysis.

The committee also questions the requested increase of $2,000,000 for "field system equipment replacement." The justification for this increase is "to replace three of the present six information management centers (IMC's) and their present hardware

and software configurations with six field service centers." (BIA Budget Justification, page 205). According to the Office of Data Systems, $2,000,000 is sufficient to replace equipment in all six of the existing IMC's. Therefore, this funding request does not appear to have been carefully developed on the basis of actual costs. Furthermore, there are twelve area offices, but only six IMC's. The Navajo Area Office, which oversees Bureau services to the largest tribe in the nation, receives data services from the Albuquerque IMC. The committee questions the ability of the existing IMC's to provide adequate services to multiple area offices. Furthermore, the committee questions the practice of having the IMC's report to the Office of Data Systems in Washington, DC, instead of reporting to local Bureau superintendents and area directors, who need the data for management purposes.

The committee recommends that before proceeding with increased funding over the fiscal year 1988 enacted level for ADP Services, that the Congress review the various General Accounting Office and Department of the Interior Office of Inspector General reports regarding problems with the Bureau's ADP systems. The committee urges the Committee on Appropriations to carefully review the findings of a current investigation by the Office of Inspector General regarding obligation of fiscal year 1987 funds for equipment purchases, changes to purchase orders without the concurrence of the contracting officer, and inappropriate charges to program accounts.

The committee questions the costs associated with the installation and operation of the two Amdahl mainframes that were acquired by the Bureau. The actual of installation, and the source of those funds, need to be identified and certain fundamental questions—as outlined below—addressed. These costs might be contained in the $7,250,000 identified for "central management system support." If these costs were absorbed from existing funds, then what other funded activities were curtailed? If the installation costs were onetime costs, then will there be a surplus in fiscal year 1988? The Bureau justified the acquisition of the surplus Amdahl mainframes on the basis of anticipated savings in operating costs. Does the Bureau have any indication of savings that have been realized? What have been the specific amount of savings, both in terms of dollars and in terms of FTE's? What has been the performance record of the Amdahl mainframes? Does the Bureau have a backup system to the Amdahl mainframes?

Many of these problems go back to fiscal year 1981, when the Bureau entered into a $20 million contract with the Burroughs Corp. to obtain computer hardware without advance planning. Terminals were delivered to tribes without advance notice. Many pieces of equipment were left in boxes and were not installed because the Bureau had not determined the application for this equipment.

In fiscal year 1983, the Bureau passed approximately $4 million of the annual costs of the Burroughs equipment to the areas. The Bureau took costs for equipment acquisition from local agency budgets and from tribal Public Law 93-638 self-determination contracts. In the Phoenix area, the costs to the agencies and tribes was $700,000. Those costs have never been restored to tribal contracts.

The failure of the Amdahl mainframes to work closely with local program personnel and local managers persists. This year, the Bureau is installing new "Beehive" terminals in the agencies. In the Phoenix area, these terminals have been installed for realty, IIM and enrollment functions, but they have not been installed for social services functions. The Bureau turned off the existing data systems for social services operations on March 21 in spite of the fact that the "beehive" terminals for social services will not be installed until after April 1. This action was justified on the basis of a low data volume for social services programs. However, more than 4,000 assistance checks are processed each month in the Phoenix area. During a training session on the new Beehive terminals for social services personnel on March 16, the Beehive terminals failed to function properly. The Bureau should be required to report to the Congress on the costs of the Beehive terminals and the source of funds. Local agency programs and tribal self-determination contracts should not be charged for the costs of the terminals, or for the costs of installation, operation and training.

These types of problems could be avoided if the Bureau took an interest in working with local service providers, managers and tribal governments. The Congress should withhold any increases in funding for Bureau ADP Services until the Bureau begins to work with those who input the data and process the reports and are responsible for the local management of programs.

SUBACTIVITY: Employee Compensation Payments

The committee recommends that the program element "employee displacement costs" contained in the program element "contract support" be transferred to the subactivity employee compensation payments and be funded at the level of $400,000 in fiscal year 1989, the same amount as the request under contract support. In the future, the Bureau should identify the number of employees displaced as a result of tribal contracting under the Indian Self-Determination Act, and the costs associated with displaced Federal employees.

ACTIVITY: Construction

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Building and utilities	41,160	41,160	32,360	37,560	39,176	40,899	42,780	44,833
Irrigation system	15,488	15,300	7,210	15,160	15,812	16,508	17,267	18,097
Housing	22,827	22,737	17,223	22,827	23,808	24,857	25,999	27,248
Fish hatcheries	1,500	1,500	0	1,500	1,565	1,633	1,708	1,790
Land acquisition	2,250	2,250	0	2,250	2,347	2,450	2,563	2,686
Total	83,225	82,947	56,793	79,297	82,708	86,347	90,317	94,654

In the fiscal year 1988 continuing resolution, Congress for the first time separated construction projects from programmatic activities. The construction activity is segregated into subactivities for buildings and utilities, irrigation systems, housing, land acquisi-

tion, and hatcheries. The administration's Budget request for fiscal year 1989 includes $56,793,000 for construction activities. The request is a reduction of $26,432,000 from fiscal year 1988 appropriations.

SUBACTIVITY: Buildings and utilities

[In thousands of dollars; fiscal years]

Program elements	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Buildings and utilities								
Education projects	14,800	14,800	8,400	12,600	13,142	13,720	14,351	15,040
Advance planning & design	1,000	1,000	0	1,000	1,043	1,089	1,139	1,194
Telecommunications Improvement & repair	0	0	1,500	1,500	1,565	1,633	1,708	1,790
Facilities Improvement & repair	25,360	25,360	22,460	22,460	23,426	24,457	25,582	26,809
Total	41,160	41,160	32,360	37,560	39,176	40,899	42,780	44,833

This activity provides for the construction and rehabilitation of BIA facilities. The administration has requested $32,360,000 for buildings and utilities, a decrease of $8,800,000 from the amount appropriated in fiscal year 1988. The request represents a decrease of $6,400,000 for Education Projects and $2,900,000 for facilities improvement and repair. The Administration has not requested any funds for Advance Planning and design.

The committee does not agree with the administration's proposal to fund construction of only one new school and to seek no funding for planning and design of any other new schools.

The administration has requested funding of $8,400,000 for construction of the St. Francis Indian High School at Rosebud, SD. The committee recommends additional funding for new school construction in the amount of $4,200,000 over the $8,400,000 requested for new school construction. This additional funding will permit construction of the following new facilities:

Papago cottage dormitory project, Arizona	$1,800,000
Turtle Mountain Middle School (increase)	2,400,000
Total	4,200,000

The Papago cottage dormitory project will house 96 children at an existing school location in lieu of rehabilitation of a domitory facility at Santa Rosa, some 35 miles distant from the school. The increase proposed to the existing appropriation for construction of the Turtle Mountain School will permit completion of this project in accordance with original design specifications.

The committee also recommends an increase of $1,000,000 to provide funding for planning and design for new school construction based on the priority list currently being developed by the Bureau of Indian Affais. In fiscal year 1988, by congressional directive, the moratorium on new construction applications was lifted, and the application process was reinstated. The Bureau has not yet established a priority list for school construction. However, the Oglala High School at Pine Ridge, SD, was first on the priority list for planning and design in fiscal year 1988. Funds for planning and

design of this facility were estimated at $420,000 in the last fiscal year. The committee intends that the $1 million recommended for planning and design in fiscal year 1989 include funds for the Oglala High School.

SUBACTIVITY: Irrigation system

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 estimate	1989 SCIA recommendation	1990	1991	1992	1993
Irrigation construction	7,950	7,950	0	7,950	8,292	8,657	9,055	9,490
Engineering and Supervision	2,038	1,850	1,650	1,650	1,721	1,797	1,879	1,970
Surveys and Designs	500	500	50	50	52	54	57	60
Safety of Dams	5,000	5,000	5,510	5,510	5,747	6,000	6,276	6,577
Total	15,488	15,300	7,210	15,160	15,812	16,508	17,267	18,097

This activity provides for the construction, extension, and rehabilitation of irrigation projects, dams, and related power systems on Indian reservations. The administration has requested $7,210,000 for irrigation systems, a decrease of $8,278,000. The administration has not requested any funds for irrigation construction, compared to the $7,950,000 appropriated in fiscal year 1988.

The administration has not requested any funding for irrigation projects for fiscal year 1989. The Committee recommends that funding for this activity be provided at the same level as fiscal year 1988—$7,950,000. In fiscal year 1988 this committee identified a number of irrigation projects on the priority list of the Bureau of Indian Affairs. The Fallon Paiute project in Nevada was shown as first priority ($1,250,000) and the Navajo Indian irrigation project was identified as second in priority ($3,300,000). The committee recommends that the Fallon Paiute project be funded within the sums recommended by the committee and that funds be provided for the Navajo Indian irrigation project in an amount sufficient to develop an additional one-half block.

SUBACTIVITY: Fish Hatcheries Construction

For fiscal year 1988 Congress appropriated $1,500,000 for the rehabilitation of tribally owned fish hatcheries. The Select Committee on Indian Affairs recommended appropriations of $6,440,000 for rehabilitation work at 46 fish hatcheries throughout the United States. The committee recommendation was based on the September 1986 report to Congress by the Bureau of Indian Affairs entitled "Rehabilitation Needs of Fish Production Facilities Funded by the Bureau of Indian Affairs and/or Indian Tribes for the Benefit of American Indians". The administration has not requested any money for hatchery rehabilitation for fiscal year 1989.

The committee recommends that adequate funding be continued for rehabilitation of fish production facilities funded by Indian tribes and the BIA. Consequently, the committee recommendation includes an additional $1,500,000 for rehabilitation work at fish hatcheries throughout the United States. The committee believes this additional funding is necessary to protect the Federal invest-

ment in these facilities, to sustain their useful life, and to prevent the need for premature investment in replacement facilities.

SUBACTIVITY: Land Acquisition

For fiscal year 1988 Congress appropriated $2,250,000 for the acquisition of land and interests in lands for Indian tribes. The committee believes it is vitally important to continue efforts to assist Indian tribes in their efforts to consolidate land ownership on their reservations and to acquire land as a basis for economic development. Therefore, the committee recommends that funding be provided for land acquisition at the same level as last year.

SUBACTIVITY: Housing

[In thousands of dollars; fiscal years]

Housing	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Housing development	2,820	2,694	2,694	2,820	2,941	3,071	3,212	3,360
Housing improvement program	19,884	19,920	14,406	19,884	20,739	21,652	22,647	23,735
Housing training	123	123	123	123	128	134	140	147
Total	22,827	22,737	17,223	22,827	23,808	24,857	25,999	27,248

The primary responsibility for new home construction on Indian reservations lies with the Department of Housing and Community Development. The BIA's Housing Improvement Program (HIP) is limited to renovation, repair, and addition to existing homes. The administration request includes $17,223,000 for housing. The fiscal year 1989 request represents a decrease of $5,604,000 from fiscal year 1988 appropriations of $22,827,000.

The committee does not agree with the administration's request for Housing Improvement Program funds and recommends that this activity be funded in the same amount as in fiscal year 1988—$19,884,000. The committee notes that in the fiscal year 1988 budget submission the BIA identified some 92,580 families as being in need of housing and that there are some 39,880 houses identified as suitable for renovation. BIA also states that 52,700 new homes are required. The primary housing program for Indians is operated by the Department of HUD. Once again the administration has indicated a desire to suspend the new housing program effort. New houses under this BIA program are built only in emergency circumstances. The Committee does not agree that the new housing effort should be suspended and intends that this effort be continued under the recommended level of funding.

ACTIVITY: Road construction

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Road construction	1,000	1,000	0	1,000	1,043	1,089	1,139	1,194

ACTIVITY: Road construction—Continued

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 baseline	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Total	1,000	1,000	0	1,000	1,043	1,089	1,139	1,194

The BIA road construction account is an important supplement to project funds provided from the Highway Trust Fund of the Federal Lands Highway Program. Consequently, the committee recommends continued funding of the road construction program at fiscal year 1988 levels.

Department of Health and Human Services

Indian Health Service

The Indian Health Service (IHS) is charged with administering the principal Federal health program for American Indians and Alaska Natives. Since the 1980 census, there has been a 23-percent increase in the IHS patient population and a 26-percent increase in demand for IHS services. IHS serves approximately 1 million members of federally recognized tribes who live on or near reservations, or in traditional Indian country, such as Oklahoma and Alaska.

The legal authority for the provision of health care services to American Indian and Alaska Native people is based upon commitments established in treaties between the United States and various Indian tribes, and several laws enacted by the Congress in furtherance of the United States' trust responsibility for Indian people, their lands and resources. The three fundamental Federal laws that provide authority for the activities and responsibilities carried out by the Indian Health Service are the Snyder Act of 1921, 25 U.S.C. 13; the Indian Sanitation Facilities Act, Public Law 86–121; and the Indian Health Care Improvement Act, 25 U.S.C. 1601, et seq. The Indian Health Service uses both direct and contract health care services to fulfill its' responsibilities.

Direct health services are provided through the operation of 45 hospitals, 65 health centers, 6 school health centers, and 267 smaller health stations and satellite clinics. The tribal health delivery system administered by tribes and tribal groups through contracts with IHS operates 6 hospitals, 70 health centers, 1 school health center, and 262 smaller health stations and satellite clinics. Medical care purchased from approximately 2,500 private providers is for services not readily available from either the IHS direct care or tribally operated systems. In addition, various clinical and referral services are provided to Indians residing in urban areas through 33 urban Indian health projects.

President's budget request for fiscal year 1989

The President's budget for fiscal year 1989 proposes a slight increase for the health care services operated directly by the Indian Health Service and for contract care. The average increase of 4.07 percent for the provision of clinical services will not however

enable the Indian Health Service to keep pace with the 7.4-percent increase in the costs of providing medical care as projected by the Congressional Budget Office based upon the Consumer Price Index, or to respond to the additional demands of a service population that is growing by more than 2 percent a year.

A recent analysis conducted by the Department's Health Care Financing Administration indicates that per capita medical expenditures for Indians (excluding Alaska Natives and adjusting for inflation) dropped from $1,068 in 1980 to $797 in 1987, a reduction of nearly 25 percent, while similar expenditures for the U.S. general population increased over the same time period from $1575 in 1980 to $1649 in 1987. Thus, the difference in amounts expended per capita for Indians and the general U.S. population has almost doubled, from $507 in 1980 to $983 in 1987.

Further compounding the loss in purchasing power of appropriations that have failed to keep pace with the costs of inflation attributable to the provision of medical services, is a $15,946,000 shortfall in amounts available in fiscal year 1988 to meet fiscal year 1988 requirements, and a $12,462,000 shortfall in amounts requested in fiscal year 1989 to meet fiscal year 1989 requirements.

Committee recommendations

Because the committee has been advised that the administration will not be seeking any supplemental funding for the Indian Health Service in fiscal year 1988, the committee's recommended levels of funding include amounts necessary to meet funding requirements in fiscal year 1988 (including nonpersonnel salary inflationary increases, personnel salary related costs and other increases) as well as amounts necessary to meet funding requirements in fiscal year 1989, in order to assure that the fiscal year 1987 level of program and services efforts can be maintained. In addition, the committee is recommending funding for activities such as those authorized in the Omnibus Drug Act of 1986 (Public Law 99-570), for the construction of IHS facilities, and for the provision of safe water supply and sanitation facilities that the President's budget request fails to address.

Major initiatives

Relocation of IHS headquarters

In fiscal year 1989, the administration would propose that $2.5 million be drawn from amounts available for the study of and the costs associated with a proposed relocation of the Indian Health Service headquarters offices, now located with other Public Health Service agencies in Rockville, MD, to Albuquerque, NM. The relocation of IHS headquarters has not been discussed with the tribes prior to the initiation of the proposal.

On January 4, 1988, the Indian Health Service was elevated to the level of an agency within the Public Health Service, thereby achieving an organizational status equivalent to the Centers for Disease Control; the Alcohol, Drug Abuse and Mental Health Administration; and the National Institutes of Health. Originally a legislative proposal, the primary objective of IHS elevation was to assure a coordination of policy, function, and research among

Public Health Service agencies. The proposed relocation of the Indian Health Service headquarters to Albuquerque, NM, would appear to thwart the potential for achieving the very objectives that IHS elevation sought to secure.

It is the committee's view that prior to any action to initiate relocation, the Department should first consult with the affected tribal governments as required by the Indian Reorganization Act of 1934, with tribal organizations, and with the relevant committees of the Congress. Further, prior to allocating funds to cover the costs of relocation, a study of relocation feasibility should examine which organizational elements of the headquarters operation are best suited for relocation. Such a study should also examine whether organization elements of the Indian Health Service now located in the field, might be more appropriately located in Rockville. For instance, one reason cited for relocation is IHS headquarters' inaccessibility to data that is presently collected in Albuquerque. The study proposed in the President's budget should also examine the advisability of having data collection centered in a location where it is not only accessible to current IHS headquarters, but is also accessible to other Public Health Service agencies. A study will also need to identify barriers or impediments to the proposed relocation, and should provide a comprehensive analysis of all costs that can be expected to be associated with relocation. The President's budget request proposes that any balance of funds remaining upon completion of the study would be used to fund the costs associated with relocation. Such a proposal fails to take account of the possibility that upon examining the findings of the proposed study, the Congress may determine that the costs associated with the relocation of IHS headquarters are not justified by the benefits that may be projected to accrue with relocation. The committee believes that relocation should not be allowed to proceed until the proposed study has been completed and its results have been disseminated and sufficient time is afforded for tribal and Congressional analysis of its results. The committee is strongly opposed to the use of direct health care service funds to conduct the study, and would recommend that the Committees on Appropriations act to insure that there is no reduction in services or programs as a result of expending funds to conduct a feasibility study of relocation.

Federal and tribal health administration budget presentations

The President's budget request for fiscal year 1989 would propose to display the administration's proposed budget as divided into two major categories, showing those funds that are requested and appropriated for the provision of health care services by the Indian Health Service in a separate format from those funds that are requested and appropriated for the provision of health care services by tribal governments and tribal organizations through contract with the Indian Health Service as authorized by the Indian Self-Determination and Education Assistance Act. The justification for these separate budget presentations is to encourage tribes to meet the administration's objective of having 75 percent of all IHS programs contracted under the authority of the Indian Self-Determination Act and thus under tribal administration within 10 years.

A 17-percent factor is included in the tribal administration budget to cover the indirect costs associated with tribal operation of health service programs.

Health care providers have expressed concern over the administration of two separate health care systems, which they project will inevitably result from the division of funding activities amongst two budget categories. They assert that the coordination of federally and tribally provided programs and services will be further undermined, and that the capacity to target resources in an emergency will be restricted, possibility requiring the reprogramming of funds from Federal or tribal program accounts. Because reprogramming requests require action by the Congress, health care administrators perceive that the reallocation of funds from one health care system to another that may be necessitated in any emergency may be rendered virtually impossible. There is also concern that the separation of Federal health administration and tribal health administration represents an attempt to obscure reductions in overall funding. The committee does not view the separation of program accounts into Federal- and tribal-administered health care systems as advisable at this time.

Availability of funds until expended

The President's budget proposes changes to appropriations language, which if approved by the Congress, would allow funds to remain available until expended. Analyzing actions of the Department in past years, pursuant to which appropriated funds have been impounded or withheld for significant portions of the fiscal year without congressional approval, program administrators are concerned that this proposal will allow the Department to withhold funds from programs which the Administration has in the past exhibited a reluctance to support, to reprogram funds from one account to another without Congressional approval, and to reduce appropriations requests in future years on the basis of unexpended balances in certain accounts. The committee recommends that the request for authority to have funds remain available until expended be denied.

Merging of IHS facilities and services accounts

As in previous years, the President's budget proposes to merge the IHS facilities construction account with the health care services account. The Congress has consistently refused to grant the Department such authority, primarily because the merging of the two accounts is viewed as an effort to obscure the fact that there have been no funds requested over the past seven years for the construction of IHS facilities, with the exception of a minimal amount to provide for the maintenance and repair of IHS facilities. Merging the accounts, coupled with the request to have funds remain available until expended, would allow the Department to expend funds appropriated for construction for other purposes, thereby reducing accountability for appropriated funds. The committee recommends that the request for authority to merge accounts be denied.

Medicare and Medicaid collections

The President's budget request for fiscal year 1989 projects a $4 million increase in medicare and medicaid reimbursements that are proposed to fund mandatory program increases in the hospital and clinic budget activity ($2.88 million) and the contract care budget activity ($1.1 million). Provisions of Public Law 94-437, as extended by Appropriations Acts, specifically prohibit the use of such remibursements as offsets against amounts that would otherwise need to be appropriated. The committee believes that authority to apply reimbursements to cover the costs of mandatory program increases should be denied.

CLINICAL SERVICES

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Hospital and health clinic	537,000	556,423	571,909	614,230	658,454	706,521	758,097
Dental services	28,974	30,318	30,767	33,043	35,442	38,027	40,803
Mental health	12,466	13,091	13,357	14,345	15,377	16,499	17,703
Alcoholism	29,335	30,959	57,075	61,298	65,711	70,507	75,654
Maintenance and repair	11,359	11,756	12,289	13,198	14,148	15,180	16,288
Contract care	198,481	208,335	212,415	228,133	244,558	262,144	281,565
Total	817,615	850,882	897,812	964,247	1,033,690	1,108,878	1,190,110

Hospital and Health Clinic Program

The President's budget request of $556,423,000 for fiscal year 1989 for the Hospital and Helath Clinic Program includes a proposal to apply $2,881,000 of reimbursements from the medicaid and medicare programs to offset program costs, which the committee recommends be denied. Further, the President's request is expected to fall $5,091,000 short of meeting fiscal year 1989 requirements (includes non-personnel associated inflationary increases, personnel salary-related costs, and other increases) for the operation of IHS hospitals and clinics, which when added to a $10,395,000 shortfall in fiscal year 1988 to meet fiscal year 1988 requirements, will result in a reduction of 3 percent from the fiscal year 1987 level of effort. To assure the maintenance of the fiscal year 1987 level of services, the committee recommends an appropriation of $571,909,000 for the IHS Hospital and Health Clinic Program. Of the total amount, the committee strongly urges the Appropriations committees to allocate $10 million to the Indian Health Care Improvement Fund in fiscal year 1989, so that the Indian Health Service can begin to address the legislative mandate of raising the health status of Indian People to the highest possible level.

Dental services

While the IHS budget justification states that the fiscal year 1989 request of $30,318,000 will provide approximately the same level of dental services and persons treated as in fiscal year 1988, the committee believes that without an additional $449,000, serv-

ices cannot be maintained at previous levels. The committee thus recommends a funding level of $30,767,000 for dental services in fiscal year 1989 in order to maintain the fiscal year 1987 level of effort.

Mental health

The IHS budget justification indicates that over one third of the demands on IHS facilities for services are associated with mental health problems. Although some of services provided to address mental health problems are funded through the hospital and health clinic budget activity, the committee remains concerned with the lack of budgetry and program emphasis on mental health, given the high rates of suicide, alcoholism, and substance abuse on many Indian reservations. The committee recommends an increase of $266,000 over the President's requested amount of $13,091,000, for a total of $13,357,000 to maintain mental health services at the fiscal year 1987 level.

Alcoholism

In addition to funds requested for the Alcoholism Program in the President's budget request for fiscal year 1989, the committee recommends additional funding in the amount of $416,000 to maintain the fiscal year 1987 level of effort, for a total amount of $31,375,000. Further, to provide for the activities authorized in the Omnibus Drug Act of 1986 (Public Law 99-570), the committee recommends funding in the amount of $11 million for the establishment of regional youth substance abuse treatment centers as authorized in the Omnibus Drug Act of 1986; $2.5 million for the renovation or construction of regional treatment facilities; $10 million for community rehabilitation and aftercare services; $1.5 million for training; $500,000 for health promotion and disease prevention efforts; and $200,000 for the Navajo Demonstration Program. Appropriations for all of the foregoing activities were authorized in Public Law 99-570, but the President's budget request for fiscal year 1989 neglects to request funds for the authorized purposes.

Maintenance and repair

With a backlog of essential maintenance and repair projects of $92,035,391 (as of December 31, 1987), and a backlog of necessary alternations of $39,108,239 (as of December 31, 1987), the Committee finds that the President's budget request for fiscal year 1989 for maintenance and repair activities will fail to maintain the 1987 level of program effort. The committee recommends funding in the amount of $533,000 in addition to the amount requested in the President's budget, for a total of $12,289,000 to be funded from direct appropriations and $3,000,000 funded from medicare and medicaid reimbursements.

Contract health care

The President's budget request for contract health care includes a request to fund $1,119,000 from medicare and medicaid reimbursements. Because such reimbursements are not allowable offsets under the provisions of Public Law 94-437, the committee recommends that the request to offset appropriations needs with reim-

bursements be denied. In order to maintain fiscal year 1987 level of services in the contract care budget activity, the committee recommends an increase of $4,080,000 over the President's budget request of $208,335,000, for a total of $212,415,000.

PREVENTIVE HEALTH

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Sanitation	23,907	24,626	25,186	27,049	28,996	31,115	33,383
Public health nursing	14,113	14,467	14,710	15,798	16,935	18,171	19,497
Health education	4,413	4,651	4,754	5,105	5,472	5,871	6,299
Community health representative	27,282	27,282	29,304	31,472	33,738	36,200	38,842
Hepatitis B	395	417	447	480	514	551	591
Total	70,110	71,443	74,401	79,904	85,655	91,908	98,612

Sanitation

The committee recommends an increase of $560,000 over the amount requested in the President's budget for the sanitation budget activity ($24,626,000) for a total of $25,186,000, in order to maintain the fiscal year 1987 level of services.

Public health nursing

The President's Budget Request for the public health nursing budget activity will fall approximately $243,000 short of maintaining the fiscal year 1987 level of program effort. The committee recommends funding in the amount of $14,710,000 for public health nursing for fiscal year 1989.

Health education

Recognizing that many health problems that afflict the Indian population are preventable, the IHS goal for the Health Education Program is to assist the Indian people to adopt health-promoting lifestyles; to wisely select and use health care resources, products and services; and to influence the policy and planning on health care issues and larger environmental matters that affect health. The ultimate objective of health education is to use its educational and behavior change skills to motivate Indian beneficiaries to assume the major responsibility for taking action to bring about the best possible health.

The committee recommends an increase of $103,000 over the amount requested in the President's budget ($4,651,000) for a total of $4,754,000, in order to maintain the fiscal year 1987 level of program effort.

Community health representative program

The goal of the Community Health Representative (CHR) Program is to address health care needs through the provision of community-oriented primary care services, including traditional native

concepts in multiple settings, using community-based, well-trained, medically guided Indian and Alaska Native health workers.

The committee commends the Department for recognizing the importance of the Community Health Representative Program. The committee's recommended level of funding in the amount of $29,304,000, represents an increase of $2.022,000 over the President's budget request ($27,282,000) to maintain the fiscal year 1987 level of services.

Alaska Hepatitis B Immunization and Screening Program

In response to an epidemic of Hepatitis B among native people of Alaska, the Hepatitis B Screening and Immunization Program began in 1982 and involved the Indian Health Service, the State of Alaska, and the HHS Centers for Disease Control. The program's initial goals were to identify those persons most at risk for Hepatitis B infection and to begin control of the further spread of the Hepatitis B virus in the population. Early findings indicated that the native people of Alaska were more susceptible to infection from the virus that non-native people Findings also indicate that newborns, because of an immature immune system, are at high risk of becoming chronic carriers if they are infected with Hepatitis B virus. Chronic carriers are 230 times more likely to develop primary liver cancer than the normal population. Semiannual blood tests of Alpha Feto Protein are to be conducted on all chronic carriers to detect this primary liver cancer at an early, potentially curable state. The Seattle Indian Health Board, an urban Indian health care program located in Seattle, Washington, that is partially funded by IHS, has also participated in the screening and immunization activities, in an effort to check the spread of the Hepatitis B virus among Alaska Natives that travel back and forth from Alaska to Seattle. The objectives of the ongoing Hepatitis B program is to vaccinate all newborns and new employees, and to continue to follow approximately 1,700 known Hepatitis B chronic carriers with semiannual Hepatitis B and Alpha Feto Protein testing.

The committee recommends an increase of $26,000 over the amount requested in the President's Budget ($417,000) to insure that the Hepatitis B Screening and Inmunization Program can be maintained at the fiscal year 1987 level of effort, for a total recommended funding level of $447,000.

OTHER HEALTH PROGRAMS

URBAN HEALTH

OTHER HEALTH

[In thousands of dollars; fiscal years]

	1988 enacted to date	1988 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Urban health	9,624	8,662	10,335	11,099	11,898	12,766	13,697
Indian health manpower	7,646	7,646	9,224	9,906	10,699	11,480	12,318
Tribal management	3,094	3,218	3,324	3,569	3,826	4,105	4,404

OTHER HEALTH—Continued

[In thousands of dollars; fiscal years]

	1988 enacted to date	1988 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Direct operations	41,392	42,471	43,318	46,523	49,872	53,512	57,418
Total	61,756	61,997	66,201	71,097	76,295	81,863	87,837

The Indian Health Service partially funds 33 urban Indian health organizations located in various cities through the United States to provide health services to the medically underserved urban Indian propulation. High concentrations of Indian people in certain urban areas is the result in part, of Federal policy that established Federal relocation centers for Indian people at a time when the Federal Government was encouraging the termination of Indian reservations and the assimilation of Indian people into the non-Indian society. Urban Indian health programs provide outreach and referral services as well as the delivery of direct comprehensive ambulatory health care. Services currently being provided include medical, dental, community services, and a variety of other health related services, such as family planning, mental health, nutrition and health education, social services, alcohol and drug abuse, and home health care.

The committee recommends an increase of $1,693,000 over the amount requested in the President's Budget ($8,662,000) for a total amount of $10,335,000, to maintain the fiscal year 1987 level of effort. The committee finds no evidence that projections of anticipated collections in the amount of $1,497,000 are realistic, given the fact that urban programs are now maximizing third-party resources to the extent that approximately seven non-IHS dollars are collected for each IHS dollar invested. IHS funds represent the core funding for the urban health care programs, so that the reduction of base funding for these programs can be expected to reduce the non-IHS matching dolars currently being collected by these programs. Unlike many of the programs operated directly by the Service, urban Indian health care programs have not received any increases to offset the costs of inflation over the past several years.

INDIAN HEALTH MANPOWER

With the elimination of the National Health Service Corps scholarship program, the source of physician supply on which the Indian Health Service relies for over half of its physician corps, will be terminated. The Indian Health Manpower Program consists of a health professions recruitment program for Indians which has provided grants to four university Master of Public Health Programs (University of California, University of Oklahoma, University of North Carolina, and University of Hawaii) and to the Indians into Medicine Program at the University of North Dakota; a health professions scholarship program which provides financial aid to qualified Indian individuals in health professions institutions who, upon graduation, will provide their professional services to Indian people, and an extern program that provides for work-service in the Indian Health Service during nonacademic periods for students

receiving health professions scholarship assistance. The IHS health professions scholarship program and the loan repayment program that was authorized by the Congress last year comprise the primary source of health care professionals for the Indian Health Service, who by virtue of receiving scholarship or loan repayment assistance, are obligated to serve in the Indian Health Service. In addition to these programs, there is a need for the Indian Health Service to expand its recruitment and retention efforts.

The committee's recommended level of funding for the Indian Health Manpower Program includes an additional $1,578,000 for the scholarship and recruitment programs over the amounts requested in the President's budget ($7,646,000) for a total amount of $9,224,000 to maintain the fiscal year 1987 level of program effort.

TRIBAL MANAGEMENT

The committee recommends a funding level that will allow the Indian Health Service to continue to provide capacity-building assistance to tribal governments at the fiscal year 1987 of program effort, with an increase of $106,000 over amounts requested in the President's budget ($3,218,000) for a total of $3,324,000.

DIRECT OPERATIONS

The direct operations program funds the administration and management of the Indian Health Service. The committee recommends an increase of $487,000 over the amounts requested in the President's budget ($42,471,000) for a total of $43,318,000, to maintain the fiscal year 1987 level of program effort.

INDIAN HEALTH FACILITIES

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 Administration request	1989 SCIA recommendation	1990	1991	1992	1993
Indian health facilities	62,511	2,450	62,235	60,000	60,000	60,000	60,000
Total	62,511	2,450	62,235	60,000	60,000	60,000	60,000

As in past years, the President's budget proposes to merge the Indian health facilities account with the Indian health service account. The Congress has consistently rejected previous proposals to merge the two accounts, based on the loss of accountability that is projected to result from such merging, and the administration's continued refusal to expend appropriated funds for the construction and repair of IHS facilities. For fiscal year 1989, the President's budget request proposes to fund the Indian health facilities account at $2,450,000, and proposes no funding for the construction of water and sanitation facilities for Indian homes.

The members of the Select Committee on Indian Affairs urge the Committee on the Budget and the Committee on Appropriations to reject the proposed merger of the Indian health facilities account with the Indian health service account. The committee's recommended funding level for Indian health facilities includes

$17,000,000 for the provision of water and sanitation systems for Indian homes and communities, and $42,785,000 for the construction of IHS hospitals and clinics, as outlined below, for a total of $62,235,000.

INDIAN HEALTH FACILITIES

[Dollars in thousands]

	Prior appropriation	Fiscal year 1988 appropriation	SCIA recommendation [1]
Hospitals:			
Anchorage, Alaska	$6,500	$5,000	$2,500
Kotzebue, Alaska	1,958	0	20,790
Winnebago, Nebraska	0	0	50
Phoenix Indian Med. Center, Arizona	0	0	150
Outpatient facilities:			
Wagner, South Dakota	459	0	4,227
Fort Belknap, Montana	807	0	298
Fort Hall, Idaho	436	100	5,474
Taos, New Mexico	0	0	264
Tohatchi, New Mexico	0	0	581
Fort Yuma, Arizona	0	0	667
Pinon, Arizona	0	0	50
White Earth, Minnesota	0	0	982
Montezuma Creek, Utah	0	0	50
Stilwell, Oklahoma	0	0	402
Personnel quarters: Barrow, Alaska	0	750	6,300
Subtotal	10,160	5,850	42,785
Sanitation facilities			17,000
Modernization and repair			2,450
Total	10,160	5,850	62,235

[1] All committee recommendations are premised upon the IHS facilities construction priority list, and recommendations represent only those amounts that the Service estimates can be fully obligated in fiscal year 1989.

ADMINISTRATION FOR NATIVE AMERICANS (ANA)

The fiscal year 1988 appropriated level for the ANA program is $30,000,000, and the administration has proposed the same level of funding, $30,000,000, for fiscal year 1989.

The Native American Programs Act, which was passed in the 93rd Congress, established the Administration for Native Americans [ANA] within the Department of Health, Education, and Welfare. The ANA is now constituted in the Department of Health and Human Services. Its legislative mandate is to promote economic and social self-sufficiency for American Indians, Alaska Natives, Native Hawaiians, and Native American Pacific Islanders, including Native American Samoans.

The ANA programs authorize training and technical assistance for the purpose of assisting eligible entities in developing and administering projects; and research, demonstration and evaluation is authorized to assist in the development of new approaches that will enhance the social and economic development of Native American communities.

While the level of funding for the ANA program has remained relatively constant over the past several years, inflation has reduced the real value almost in half. Currently, the ANA program

is only able to fund about 35 to 40 percent of the applications it receives. The committee, therefore, recommends that the level of funding for fiscal year 1989 be budgeted at $33 million to be distributed as follows: $30 million for financial assistance grants; $1 million for training and technical assistance; $1 million for research, demonstration, and evaluation; and $1 million for the revolving loan fund for Native Hawaiians.

Department of Education

TABLE 3.—DEPARTMENT OF EDUCATION, TITLE IV, INDIAN EDUCATION ACT

[In thousands of dollars; fiscal years]

	1988 enacted to date	1989 administration request	1989 SCIA recommendation	1990	1991	1992	1993
Title IV Program—Indian Education							
Part A:							
Formula grants	45,670	46,348	50,310	52,423	54,625	56,919	59,310
Discretionary grants	3,500	3,500	3,500	3,647	3,800	3,960	4,126
Part B (special programs)	11,707	11,807	12,199	12,711	13,245	13,802	14,381
Part C (adult education)	3,000	3,500	3,500	3,647	3,800	3,960	4,126
Part D (administration)	2,449	2,498	2,498	2,603	2,712	2,826	2,945
Total	66,326	67,653	72,007	75,031	78,182	81,467	84,888

The Indian Education Act (Public Law 92-318), enacted in 1972, was designed to improve educational opportunities for disadvantaged Indian children, college students, and adults. Part A of the act provides basic grants to both public schools and reservation-based Indian controlled schools, most of which are schools that operate under contract with the BIA. During the its' consideration of the Indian Education Amendments of 1988, incorporated into H.R. 5, the committee became aware of an anomaly in existing law that the so-called "contract schools" are eligible to participate in the formula program under part A of title IV and also have a substantial set aside (up to 10 percent) from that same program for competitive grants for demonstration and other projects. However, schools operated directly by the BIA are not now eligible for funding, even though their students service populations are the same. In fact, most contract schools were formelry BIA operated schools and when BIA schools are converted to contract, the school is automatically eligible for Title IV formula grants even though the identical students are being served.

To correct this situation, the Senate version of H.R. 5 contained a provision to include these students in the formula program of part A. Because there is no public policy reason why Indian children should be treated differently under this program, (the only Department of Education program operated specifically for Indian children), the House agreed to this provision in conference with the stipulation that existing programs be held harmless. There are 26,700 students in BIA instructional program that will now be eligible for title IV assistance, in addition to the 321,600 students now served in title IV. Therefore, an increase in funding of about 8 percent is needed to provide service to the students in BIA schools and

to keep other programs at fiscal year 1988 levels. A 2-percent inflation factor for existing program was also agreed to in the hold harmless language. Therefore, the committee recommends the 1988 funding level for part A with a 2-percent increase for inflation and an 8-percent increase for the newly eligible students. The total needed will be $50,310,000 which is $4.6 million over the 1988 appropriation level and $3.9 million above the budget request for 1989.

In 1988, the part A formula program is providing services to 321,600 Indian students in both public and contract schools. Under the discretionary set aside, 28 grants were made to 24 Indian schools of which 17 also received formula funding.

Part B of title IV funds competitive grants to improve the quality of education programs for Indians. The committee recommends $12,199,000 for this program in fiscal year 1989. This is based on the 1988 appropriated level plus a 4.2-percent CBO inflation factor.

Part C of title IV funds programs to enable Indians to finish high school and to receive employment training and other adult education services. The committee agrees with the administration's request for an additional $500,000 for this program in fiscal year 1989 above the $3 million appropriation in fiscal year 1988.

For all part of the title IV program, the committee is recommending an increase of $2,354,000 above the President's request. This is a modest amount and the committee notes with approval the small but important increases proposed by the Administration in this important program.

Between 1970 and 1980, the percentage of Indian adults of age 25 and older who were high school graduates increased from 33.3 percent to 55.8 percent; the median years of school completed by this group increased from 9.8 years to 12.2 years. These are impressive statistics but Indians still lag behind other groups in years of school completed, high school retention rates, median family incomes, and percentage of families above the poverty level.

In fiscal year 1980, title IV was funded at $75,900,000. Funding for the program reached a high of $81,680,000 in fiscal year 1981 and has gradually been cut to its current level of $66,326,000 in fiscal year 1988. The committee therefore strongly urges adoption of its recommendations amounts for the Title IV programs as a minimum amount to prevent further slippage in the program levels.

NATIVE HAWAIIAN EDUCATION ACT

Congress is in the final stages of passing H.R. 5, the Elementary and Secondary Education Act reauthorization bill. The bill has been through conference, and enactment into law is expected in May, 1988.

Included as title X of this bill is the Native Hawaiian Education Act. The programs under this title are new, and have not been funded before. They are supplemental education programs to benefit Native Hawaiians and are the result of 8 years of studies and efforts to design programs that would be appropriate for Native Hawaiian educational needs. In view of the pressing needs

in the Hawaiian community for these programs, the committee recommends funding for this program as follows:

Fiscal year 1989:	
Model curriculum project	$3,200,000
Family based education centers	2,500,000
Higher education	2,100,000
Gifted and Talented	1,100,000
Special education	1,600,000
Total	10,500,000
Fiscal year 1990:	
Model curriculum project	3,300,000
Family based education centers	2,700,000
Higher education	2,200,000
Gifted and Talented	1,100,000
Special education	1,700,000
Total	11,000,000
Fiscal year 1991:	
Model curriculum project	3,500,000
Family based education centers	2,800,000
Higher education	2,400,000
Gifted and Talented	1,200,000
Special education	1,800,000
Total	11,700,000
Fiscal year 1992:	
Model curriculum project	3,700,000
Family based education centers	3,000,000
Higher education	2,500,000
Gifted and Talented	1,200,000
Special education	1,900,000
Total	12,300,000
Fiscal year 1993:	
Model curriculum project	3,900,000
Family based education centers	3,100,000
Higher education	2,600,000
Gifted and Talented	1,300,000
Special education	1,000,000
Total	12,900,000

Department of Labor

Job Training Partnership Act

JTPA and the Summer Youth Programs are designed to address the overwhelming unemployment problems within Native American communities. JTPA offers primarily vocational training work experience, including skill training, remedial education, on-the-job training, work experience, and job search assistance to approximately 34,000 unemployed, underemployed; and economically disadvantaged Indians, Native Alaskans and Native Hawaiians.

	Million	Percent of total JTPA
Native American JTPA funding:		
Fiscal year 1987 BA	$61.5	1.6
Fiscal year 1987 outlays	58.7	1.6

	Million	Percent of total JTPA
Fiscal year 1987 BA	59.7	1.6
Fiscal year 1988 outlays	60.9	1.6
Proposed fiscal year 1989 BA	59.7	1.6
Proposed fiscal year 1989 outlays	60.9	1.6

In addition to this funding, the fiscal year 1989 budget requests an amount for summer youth programs that would support a set-aside for Indian tribes, Alaskan Natives and Native Hawaiians amounting to $13,058,321, or 1.8 percent of the total summer youth funds recommended.

The amount requested in the budget for these programs is the lowest level, in current dollars, of any year since this program began under the Comprehensive Employment and Trainingt Act in 1975, except for 1986 when the level was affected by the Gramm-Rudman automatic cuts. In constant dollar terms, the total employment and training resources available to tribes and other Indian and Native American organizations have been cut by more than 38 percent since 1983 and by 72 percent since 1981.

In addition to the reduction in services caused by the funding cuts, Indian grantees have been restricted in what they can do with the resources available because of Labor Department program monitoring practices and because of the system now used to set standards of performance for grantees. Grantees have indicated that they cannot provide the intensive support that many Indian and Native American workers need because of the Department emphasis on low cost, "quick fix" services. The committee recommends that the Department of Labor and its Indian grantees conduct a joint study on the impact of the current system used to set standard of performance for grantees and its effects on the quality of services to Indian people as provided in the Job Training Partnership Act.

The committee reiterates its concern that special attention be given to the pressing problems of unemployment for Native Americans and recommends that Native American JTPA funding be increased to $63,000,000. The committee further recommends that $15,000,000 be set aside in the summer youth funds for Native Americans.

Department of Housing and Urban Development

INDIAN HOUSING PROGRAM

Federally assisted housing on Indian reservations and trust land area (Alaska and Oklahoma) is provided primarily by the HUD Indian Housing Program. Since the 1960's, HUD has provided assistance in the development and management of housing for Indian and Alaskan Natives pursuant to the United States Housing Act of 1937 as amended. According to the Bureau of Indian Affairs' housing inventory for fiscal year 1987, approximately 92,970 Indian families are in need of substantial housing assistance; 39,880 families need rehabilitation assistance and 53,090 families need new homes.

In the past few years the administration has zeroed out new construction for Indian housing units. The administration has requested 1,000 new units for fiscal year 1989. While the request is greater than zero, it is still not adequate to meet the documented need. The committee recommends $215.7 million for 3,000 new units of Indian housing.

The committee opposes the administration's proposal to rescind the reuse authority that Congress granted last year to the HUD Indian Housing Program. Reuse authority permits HUD to transfer budget authority between Indian housing authorities for housing units that have stagnated in the construction pipeline. In the past, HUD simply returned the recaptured budget authority to the Treasury. Given the critical need for housing within Indian country, it makes no sense to return budget authority to the Treasury.

HAWAIIAN HOME LANDS

In 1921, the Hawaiian Homes Commission Act was signed into law. The major provisions of the act included setting aside approximately 187,000 acres of specific public lands on the islands of Hawaii, Maui, Molokai, Oahu, and Kauai for leasing to native Hawaiians. The goal of the program was to put Hawaiians back on the land, from which they were becoming rapidly aliented, and the signing of this act constituted the undertaking of a trust obligation by the United States to benefit an aboriginal people.

The act was implemented and administered by the territorial government through the Hawaiian Homes Commission. After statehood occurred in 1959, the Department of Hawaiian Home Lands was established and title to Hawaiian home lands was transferred to the State of Hawaii.

The act provides direct benefits to beneficiaries in the form of 99-year homestead leases. The lease awards are for residential, agriculture, aquacultural, or pastoral uses. When the act was passed by Congress, a committee report stated that accessible water in adequate amounts must be provided for all DHHL tracts.

Since enactment, 32,713 acres of Hawaiian homelands have been awarded as homestead lots for residential, agricultural or pastoral uses as of June 30, 1987. Funds to implement the program were not made available when the act was administered by the United States during the territorial period, and the State was reluctant to expend general funds after the program was transferred. In 1974, the State changed its position, and over the next 10 years awarded half as much land as had been awarded over the previous 53 years. Since 1974, the State has spent more than $70 million upgrading drainage systems and roads.

In 1983 the "Federal-State Task Force on the Hawaiian Homes Commission Act" completed a full assessment of the program. The Task Force recommended as a priority goal the acceleration of distribution of Hawaiian homelands to the 8,000 applicants on the waiting lists. The task force estimated that $250 million would be needed to provide basic site developments, and recommended that the State of Hawaii and the United States each make matching contributions to meet these needed services.

Since then, from 1984 through 1986, the Department of Hawaiian Home Lands has accelerated the awarding of homestead lots to native Hawaiian beneficiaries. While more than 2,500 lots were awarded, over 2,000 of the lots did not have the necessary roads, water, electricity, and drainage improvements to allow their use by homesteaders. In the meantime, the waiting list has expanded to 17,000 applicants. DHHL presently has $22.7 million appropriated from the State for infrastructure development and requested $9.8 million for the State's fiscal year 1989 budget.

Among its findings the task force concluded that the United States continues to serve as a trustee of the Hawaiian homelands. Specifically, the United States must approve certain modifications of the Hawaiian Homes Commission Act; the U.S. Secretary of the Interior must approve land exchanges involving Hawaiian Homes lands; and the United States may bring suit if the trust for certain lands is breached by the State.

Pursuant to the trust responsibility established by the HHCA, the Committee recommends that $3,000,000 for fiscal year 1989 be appropriated under the Community Development Block Grant Program and earmarked for the Hawaii State Department of Hawaiian Home Lands for the purpose of infrastructure development of Hawaiian Home lands.

Department of Energy

Conservation of Renewable Energy Conservation: State and Local Assistance Program [SLAP]

The goal of the State and Local Assistance Program is to encourage energy conservation intiatives on the state and local level through a mix of activities and programs, including direct financial assistance, personalized information services, technical assistance and developmental demonstration projects to enhance state and private sector involvement in energy conservation. The office of State and local assistance programs administers the following programs in support of its goal: the Weatherization Assistance Program; the Schools and Hospitals Grants Program, also known as the Institutional Conservation Program; the Energy Policy and Conservation Act [EPCA] Grants, also known as the State Energy Conservation Program [SECP]; the Energy Extension Service; and Technology Assessment and Transfer.

The first two programs were established to provide assistance to sectors of the economy which experience particular difficulty in dealing with rising energy costs. The Weatherization Assistance Program increases the energy efficiency of residences occupied by low-income citizens across the country, particularly the homes of the elderly and the handicapped.

These programs have accomplished a great deal. Over 1.8 million low-income homes have been weatherized. Over 21,000 grants have been awarded to schools and hospitals, funding energy conservation projects in some 59,000 institutional buildings.

Appropriated and Petroleum Overcharge Distribution and Restitution Act funds provided for grant activities in fiscal year 1988 are $212,095,000. These funds will provide for the weatherization of 125,000 homes and grants to 909 schools and hospitals as well as

for program management of prior year Federal grants and oversight and monitoring of Exxon and stripper well oil overcharges funds distributed to the states.

In fiscal year 1989 no funding is requested for grant activities. States have received more than $2.9 billion from the resolution of petroleum overcharge cases which they can use to fund these activities. Federal funds requested for program direction will provide for program management for prior year federal grants and oversight of Exxon and Stripper Well oil overcharge funds distributed to the states.

Council of Energy Resource Tribes

The Council of Energy Resources Tribes [CERT] is a nonprofit organization of 37 member tribes who have energy resources. The organization provides technical assistance at the request of its members which will help the tribes develop energy resources. The Federal funding base for the Council of Energy Resource Tribes has come from three sources which are coordinated in a triagency agreement: The Department of Energy, the Bureau of Indian Affairs, and the Administration of Native Americans [ANA]. Funds provided from the Department of Energy and the Bureau of Indian Affairs have been through Congressional appropriations earmarked for CERT. ANA funds have been secured through competitive grant applications.

The administration has requested that the fiscal year 1988 Congressional add-on of $250,000 for the Council of Energy Resource Tribes not be continued in fiscal year 1989. The committee recommends that funding continue to be made available directly to CERT.

Nuclear Waste Fund

Pursuant to the Nuclear Waste Policy Act of 1982 [NWPA], the Department of Energy is required to develop a waste management system for the disposal of spent fuel and high-level radioactive waste from commercial and defense activities in a permanent geologic repository. The NWPA Amendments Act of 1987 provide a major redirection in the nuclear waste program and the fiscal year 1989 budget request of $448.8 million fully supports these activities. The Nuclear Waste Fund Program includes activities in the following major areas: geologic repositories, monitored retrievable storage, transportation and systems integration, and program management and technical support.

Yucca Mountain, NV, was designated by Congress for detailed characterization to evaluate site suitability for the first geologic repository. No funds are being requested for the second repository program which was terminated with the passage of the NWPA Amendments Act of 1987. The closeout of these activities, as well as some first repository activities, will be completed during fiscal year 1988. Fiscal year 1989 funding will continue program and regulatory compliance and financial assistance activities. Following submission of the MRS Review Commission report in June 1989, a survey and evaluation of potential monitored retrievable storage sites is also authorized and preparation for definitive design and licensing will begin.

Environmental Protection Agency

The administration's 1989 Budget for the Environmental Protection Agency [EPA] recommends a slight increase in all program areas with the exception of the Construction Grants Program.

Interdisciplinary program

The Environmental Protection Agency's Interdisciplinary Program is required to maintain liaison with other Federal agencies and continue to implement EPA Programs on Indian Reservations: The budget request includes $12.7 million for these activities. This represents an increase of $400 thousand from fiscal year 1988. The Indian program develops and implements policies for dealing with Indian tribes on environmental problems.

Special Features

Introduction

The attached tables summarize relevant trends for selected parts of the Federal budget. Table 1 presents budget levels, average annual change in dollars and in percents, and the consistency of the trend for 1975 through 1989. Annual change and trend consistency were determined by a time-series correlation; technically, the annual change is the "coefficient of determination," or r2. Table 2 presents similar data for 1982 through 1989, to show trends in funding under the current Administration. Tables 3 and 4 correspond to tables 1 and 2, but they include budgets in real 1982 dollars instead of actual outlays, to remove the increases due to inflation.

A thorough analysis of all the budget elements selected is beyond the scope of this Budget report. However, it is the committee's intent to briefly explain and comparatively present major budget trends affecting the nation's Indian population and the U.S. population. These comparisons will focus upon three subject areas (Education, Health, and Housing and Economic Development), and will highlight other generalized data specific to the overall budget.

Methodology

The financial and demographic data which were collected to prepare this statistical analysis are derived from a number of sources.

The primary source of information is *The Budget of the United States Government, FY 1989*, the accompanying appendix, and historical tables, as prepared by the Office of Management and Budget. The data collected from this source include: Fiscal year 1989 budget estimates; historical outlays by superfunction and function; outlays by function and subfunction; and outlays by agency. It must be noted that annual figures are examined throughout this analysis from 1968 to 1989.

Information regarding key economic indicators was gathered from the *Economic Report of the President, February 1988*, and the *Statistical Abstract of the United States, 1986*, as prepared by the U.S. Department of Commerce, Bureau of Census. This information includes the following: Consumer Price Index by major groups (all

items), implicit price deflators for the gross national product, and U.S. population figures.

Per capita expenditures for the U.S. population are based upon the percentage calculations of the overall budget (excluding defense and net interest) divided by the U.S. population. Budgetary figures contained in the President's Budget in historical tables and population figures were selected from the statistical abstracts.

The Indian per capita expenditures are comprised of the overall Indian budget divided by the Indian population. It is especially important to note that the "Overall Indian Budget" is a generalized total of *only* the BIA, IHS, Department of Education—Indian education line item, Department of Housing and Urban Development—Indian housing line item, and the Administration for Native Americans' budgets. These particular agencies were selected since each represents a major activity in Indian country. Data regarding the Indian population is specifically collected from the Indian Health Service and based upon the service population. This population figure was selected since it is updated on an annual basis. For purposes of further study, a more accurate population count should be derived from tribal enrollment figures to closely reflect tribal needs and services.

Other budgetary data was collected respectively from each of the following agencies: BIA, IHS, Department of Education, Department of Housing and Urban Development, U.S. Fish and Wildlife Service [USFWS], U.S. Forest Service [USFS], Bureau of Land Management [BLM], and the Minerals Management Service [MMS]. This data included specific appropriations for each year from 1968 to 1989. The Department of Housing and Urban Development, USFWS, USFS, and BLM were not able to provide all of the data necessary because it has either been archived or the agency was not in existence in the earlier years.

All of the data was stored in a Lotus program, statistically analyzed and graphically presented to Committee staff and to the Congressional Research Service staff for editorial review, analysis and redevelopment. A time-series correlation was used to determine annual change and trend consistency.

TABLE 1.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET ACTUAL OUTLAYS, 1975–1989 TRENDS

[Budget data in millions of dollars]

	Average level	Annual change	Percent change	r^2
Education:				
U.S. Education	$14,423.2	902.37	6.26	0.88
Education function	28,026.7	993.42	3.54	0.60
Indian education	65.9	.84	1.27	0.15
BIA education subtotal	259.7	1.64	.63	0.17
Health:				
U.S. health	101,940.5	9,718.72	9.53	0.99
Health function	28,214.5	2,338.39	8.29	0.98
Indian health service	709.2	48.63	6.86	0.91
Housing and development:				
U.S. housing	14,067.7	1,104.51	7.85	0.64
Economic development function	7,778.0	−109.55	−1.41	0.04
Indian housing [1]	444.3	−60.34	−13.58	0.82

TABLE 1.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET ACTUAL OUTLAYS, 1975–1989 TRENDS—Continued

[Budget data in millions of dollars]

	Average level	Annual change	Percent change	r²
ANA	31.3	−.55	−1.74	0.49
BIA economic development	60.1	−1.60	−2.67	0.21
Natural resources:				
U.S. Interior	4,225.3	189.48	4.48	0.80
Fish and Wildlife Service	320.5	18.80	5.87	0.81
Bureau of Land Management	765.8	14.82	1.93	0.07
Forest Service	1,964.0	96.38	4.91	0.83
National resources function	12,392.7	464.27	3.75	0.76
BIA national resources	93.2	7.99	8.57	0.89
Other:				
BIA	970.0	18.59	1.92	0.50
BIA Indian services	215.5	10.64	4.94	0.74
Overall Indian budget	2,165.9	54.30	2.51	0.33
Federal non-defense budget	451,813.9	30,983.97	6.86	0.98
U.S. population	231,653,467	2,317,250	1.00	0.999
Indian population	855,333	34,836	4.07	0.97

[1] Correlation includes only 1978 through 1989.
[2] Excludes National Defense and Debt Payments.

TABLE 2.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET ACTUAL OUTLAYS, 1982–1989 TRENDS

[Budget data in millions of dollars]

	Average level	Annual change	Percent change	r²
Education:				
U.S. Education	$17,196.5	971.43	5.65	0.80
Education function	30,234.9	1,371.89	4.54	0.84
Indian education	67.9	.52	.76	0.53
BIA education subtotal	265.9	−2.99	−1.13	0.18
Health:				
U.S. health	137,287.2	9,058.43	6.60	0.95
Health function	36,024.9	3,006.18	8.34	0.97
Indian health service	865.5	44.87	5.18	0.94
Housing and development:				
U.S. housing	18,273.1	476.34	2.61	0.06
Economic development function	6,968.0	−378.38	−5.43	0.70
Indian housing [1]	305.2	−38.03	−12.46	0.86
ANA	28.8	.22	.78	0.52
BIA economic development	52.4	−3.30	−6.29	0.42
Natural resources:				
U.S. Interior	4,814.5	141.64	2.94	0.66
Fish and Wildlife Service	384.7	11.60	3.02	0.46
Bureau of Land Management	825.0	−63.78	−7.73	0.46
Forest Service	2,276.9	58.49	2.57	0.67
National resources function	13,723.1	429.87	3.13	0.74
BIA national resources	121.7	6.26	5.15	0.52
Other:				
BIA	1,025.2	4.88	.48	0.03
BIA Indian services	251.7	5.84	2.32	0.17
Overall Indian budget	2,292.5	10.60	.46	0.17
Federal non-defense budget	562,179.0	23,924.05	4.26	0.97
U.S. population	239,807,500	2,211,452	.92	0.9998
Indian population	975,111	28,378	2.91	0.998

[1] Excludes National Defense and Debt Payments.

TABLE 3.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET REAL 1982 DOLLARS, 1975–1989 TRENDS

[Budget data in millions of dollars]

	Average level	Annual change	Percent change	r^2
Education:				
U.S. education	$15,005.0	$183.67	1.22	0.23
Education function	30,031.8	−494.74	−1.65	.22
Indian education	72.1	−2.75	−3.82	.70
BIA education subtotal	287.4	−13.91	−4.84	.95
Health:				
U.S. health	102,487.1	4,964.14	4.84	.96
Health function	28,847.3	920.82	3.19	.88
Indian health service	732.1	14.85	2.03	.40
Housing and development:				
U.S. housing	14,328.8	454.66	3.17	.27
Economic development function	8,702.8	−519.70	−5.97	.44
Indian housing [1]	482.5	−86.73	−17.98	.82
ANA	35.7	−2.67	−7.48	.85
BIA economic development	68.4	−5.12	−7.48	.72
Natural resources:				
U.S. Interior	4,476.8	−24.85	−.56	.04
Fish and Wildlife Service	334.2	3.54	1.06	.08
Bureau of Land Management	823.3	−20.73	−2.52	.14
Forest Service	2,069.4	−.96	−.05	.004
Natural resources function	13,249.4	−193.28	.46	.31
BIA natural resources	94.4	3.83	4.05	.60
Other:				
BIA	1,057.8	−36.31	−3.43	.84
BIA Indian services	227.1	−.19	−.08	.001
Overall Indian budget	2,337.7	−57.52	−2.46	.28
Federal non-defense budget [2]	467,106.4	8,775.18	1.88	.87

[1] Correlation includes only 1978 through 1989.
[2] Excludes National Defense and Debt Payments.

TABLE 4.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET REAL 1982 DOLLARS, 1982–1989 TRENDS

[Budget data in millions of dollars]

	Average level	Annual change	Percent change	r^2
Education:				
U.S. education	$15,161.0	$340.97	2.25	0.47
Education function	26,708.7	306.32	1.15	.31
Indian education	60.7	−3.27	−5.39	.87
BIA education subtotal	237.2	−10.49	−4.42	.76
Health:				
U.S. health	120,831.8	4,075.61	3.37	.77
Health function	31,614.4	1,593.10	5.04	.96
Indian health service	763.7	15.02	1.97	.65
Housing and development:				
U.S. housing	16,185.5	−98.43	−.61	.003
Economic development function	6,261.3	−542.97	−8.67	.87
Indian housing	277.6	−43.17	−15.55	.88
ANA	25.6	−.65	−2.53	.93
BIA economic development	47.2	−4.33	−9.18	.63
Natural resources:				
U.S. Interior	4,264.2	−10.92	−.26	.01
Fish and Wildlife Service	340.7	−.49	−.14	.002
Bureau of Land Management	744.7	−84.47	−11.34	.61
Forest Service	2,018.2	−12.87	−.64	.11
Natural resources function	12,152.8	−33.12	−.27	.02

TABLE 4.—TRENDS IN SELECTED ELEMENTS OF THE FEDERAL BUDGET REAL 1982 DOLLARS, 1982–1989 TRENDS—Continued

[Budget data in millions of dollars]

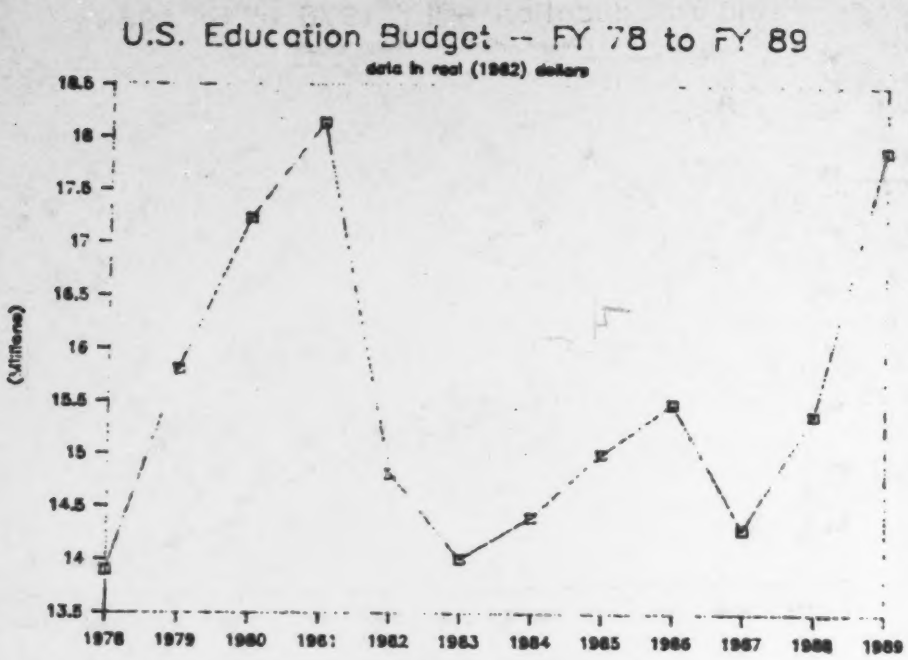
	Average level	Annual change	Percent change	r^2
BIA natural resources	107.4	2.25	2.10	.14
Other:				
BIA	912.0	−25.69	−2.82	.51
BIA Indian services	223.3	−2.56	−1.14	.05
Overall Indian budget	2,039.6	−57.75	−2.83	.88
Federal non-defense budget [1]	496,842.8	4,837.15	.97	.65

[1] Excludes National Defense and Debt Payments.

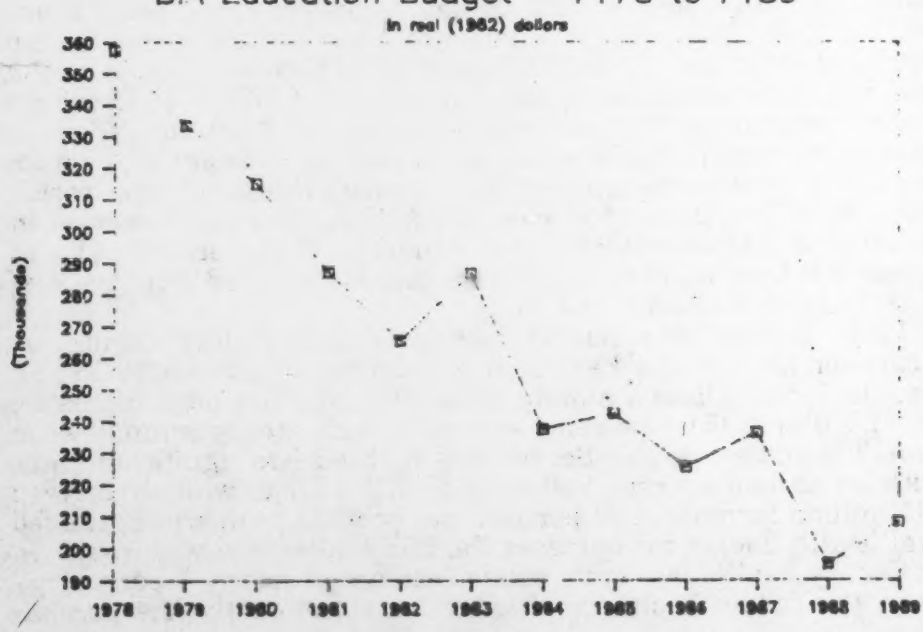
Education

Education data from tables 1 and 4 will illustrate how the data in the tables can be used. Table 1 shows that the Department of Education budget averaged $14.4 billion (from the first column) between 1975 and 1989, and has been increasing at an annual rate of $902 million (from the second column) or 6.26 percent (from the third column). This increase has been a fairly steady upward trend, as indicated from the coefficient of determination of 0.88 (from the last column). The BIA education subtotal averaged $260 million during the same period, and has been increasing at an annual rate of $1.64 million (0.63 percent). However, the budget has fluctuated widely, as suggested by the low coefficient of determination (only 0.17).

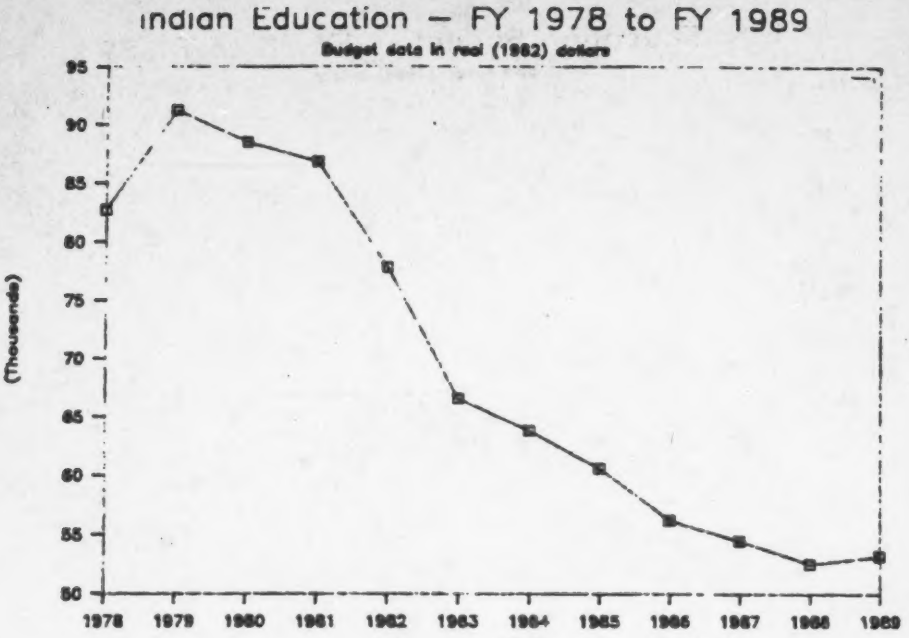
Table 4 identifies budget trends in real dollars during the Reagan administration. The Department of Education budget has averaged $15 billion (in 1982 dollars) annually since 1982, and has been increasing at $341 million (2.25 percent) annually, but with substantial annual variation. In contrast, the BIA Educational Subtotal has averaged $237 million annually in 1982 dollars, but has been declining at $10.5 million (4.42 percent) annually. While education funding has been increasing generally, funding for Indian education has been falling. (See graph No. 1 and graph No. 2 which compares the growth or decline of the U.S. education and BIA education budgets in real dollars. A graph which shows the same downward trend in Department of Education—Indian education dollars is also provided as graph No. 3.)



GRAPH #1



GRAPH #2



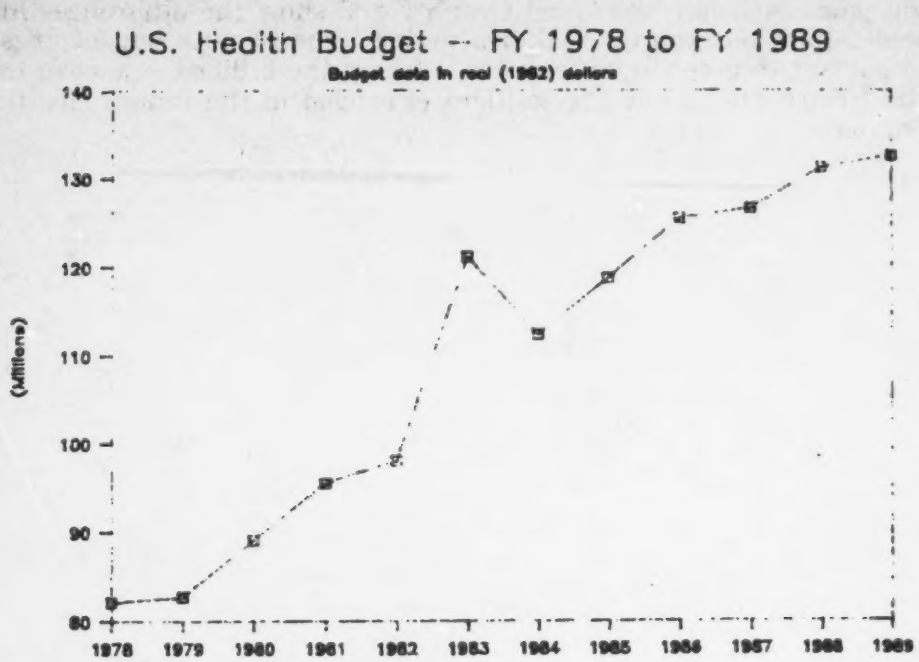
GRAPH #3

Health

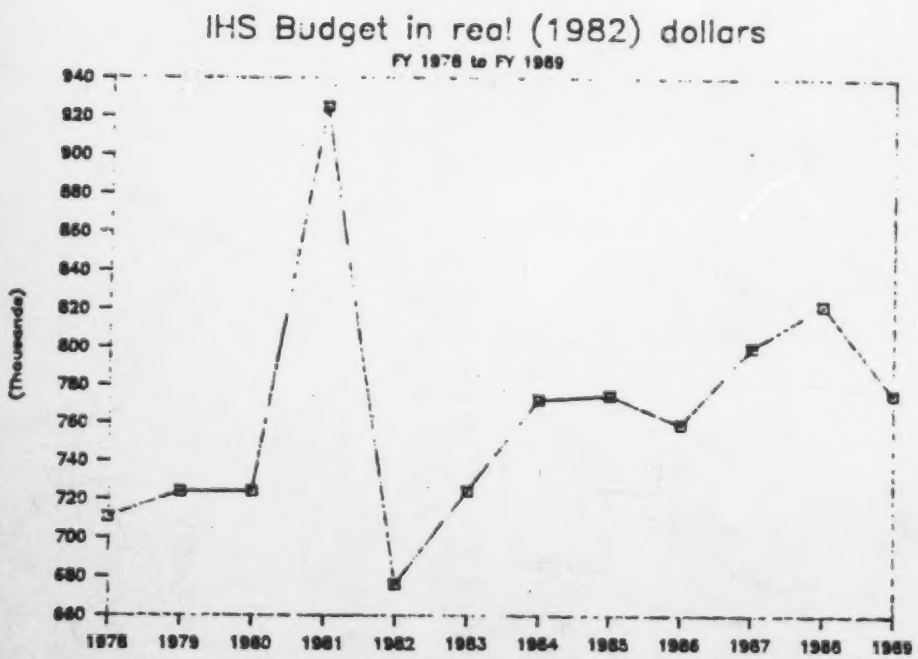
A reflection of the actual status of U.S. health dollars as compared to Indian health care dollars is presented in table 2 and table 4. The actual outlays indicate that the Federal health budget averaged $36 billion (from the first column) between 1982 and 1989, and has been increasing at an annual rate of $3 billion (from the second column) or 8.34 percent (from the third column). This increase has been a consistent upward trend as substantiated by the coefficient of determination of 0.97. During the same time period, the Indian Health Service averaged $865 million and has been increasing at an annual rate of $44 million (5.18 percent). The increase has been a fairly steady increase, as indicated from the coefficient of determination of 0.94.

Table 4 highlights budget trends in real dollars during the Reaganomics era. The Federal health budget has averaged $31 billion (in 1982 dollars) annually since 1982, and has been increasing at $1.6 billion (5.04 percent) annually, with steady annual variation. The Indian Health Service has realized less significant gains, with an annual average budget of $763.7 million, which receives a $15 million increase (1.97 percent) per year. In comparison, the federal health budget far outpaces the IHS budget and with major inflationary health care costs which increase at nearly 7 percent per year, the Indian health care dollar has significantly less purchas-

ing power. (Graph No. 4 and Graph No. 5 show the differences in real dollars between the U.S. health and Indian health budget. It is important to note the differences between the billions expended in the United States and the millions expended in the Indian Health Service.)



GRAPH #4

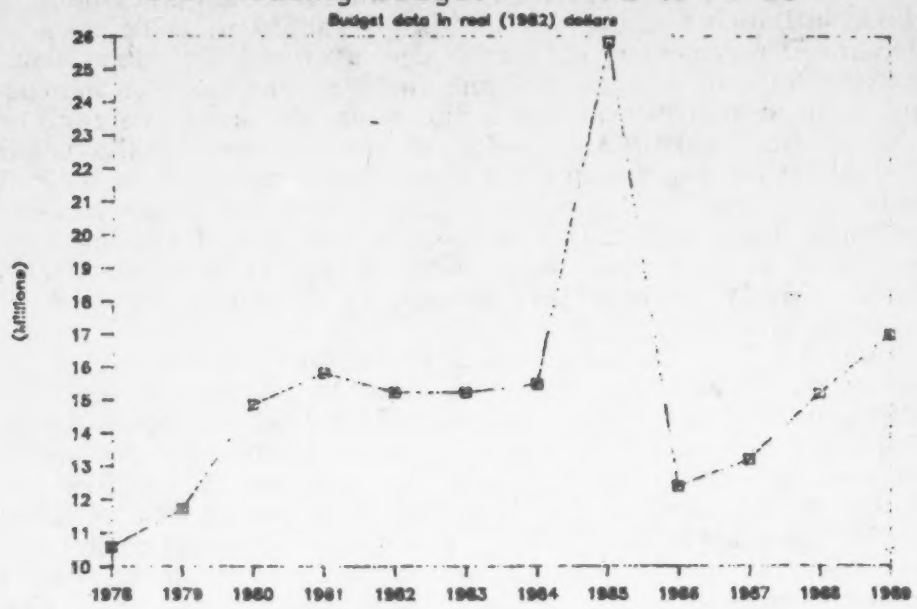


GRAPH #5

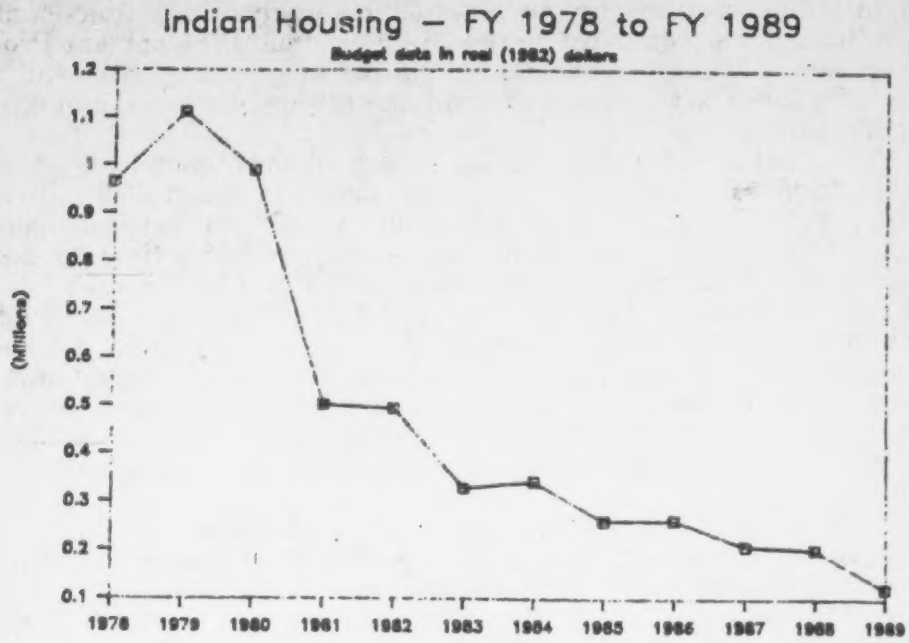
Housing and Development

"Housing" from tables 1 and 4 will illustrate how the trends in U.S. and Indian housing are significantly different. Table 1 shows that the Department of Housing budget averaged $14 billion (from the first column) between 1975 and and 1989, and has been increasing at an annual rate of $1.1 billion (from the second column) or 7.85 percent (from the third column). This increase has fluctuated throughout the years with a high indicator of variation, as indicated from the coefficient of determination of 0.64. The Indian housing budget averaged $444 million during the same period, and has been decreasing at an anual rate of $60.3 million (13.58 percent). This trends is fairly consistent as suggested by a coefficient of determination of 0.82.

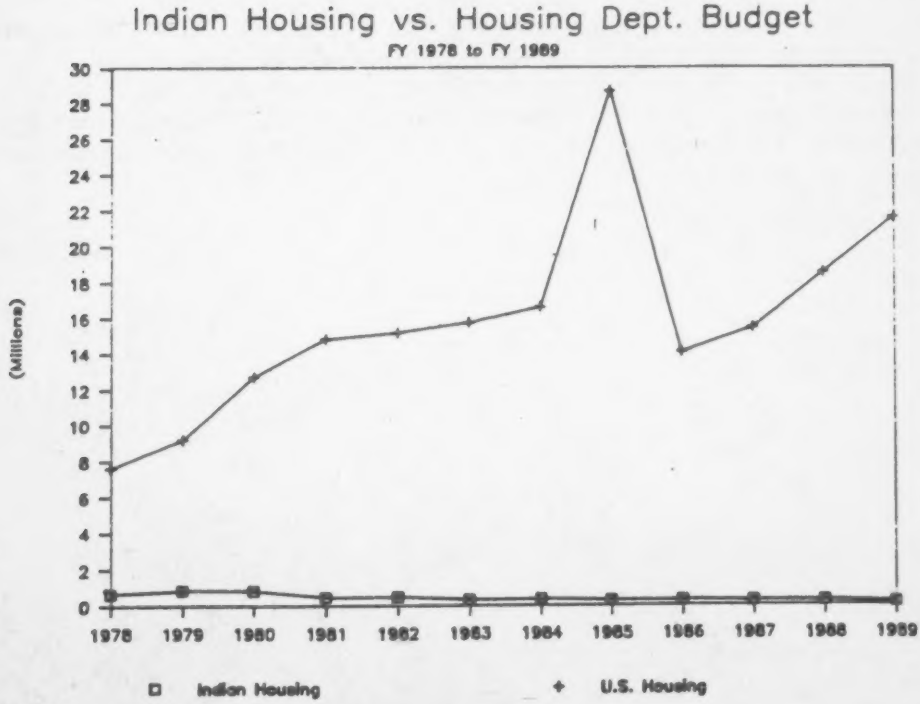
Table 4 reflects budget trends in real dollars for the current administration. The Department of Housing budget has averaged $16 billion (in 1982 real dollars) annually since 1982, and has been decreasing at $98 million (0.61 percent) with significant variation. In contrast, the Indian housing budget has averaged $277 million annually in 1982 dollars, but has been declining at $43.7 million (−15.55 percent) annually. While the Federal housing budget has been realizing mild reductions, the Indian housing budget has been virtually wiped out at more than fifteen percent per year. (See graph No. 6 and No. 7 to view the growth of the U.S. housing budget as compared to the Indian housing budget. Graph No. 8 is a presentation of both the U.S. housing and Indian housing budget outlays for 1978 to 1989.)


U.S. Housing Budget -- FY 78 to FY 89
Budget data in real (1982) dollars
(billions)
26
25
24
23
22
21
20
19
18
17
16
15
14
13
12
11
10
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989

GRAPH #6



GRAPH #7



GRAPH #8

"Economic Development" has not faired well in either the U.S. or in Indian country. For purposes of this analysis, the functional U.S. budget was compared to the BIA Economic Development Program and to the Administration of Native Americans [ANA] which provides funds to tribes and Indian organizations for social and economic development.

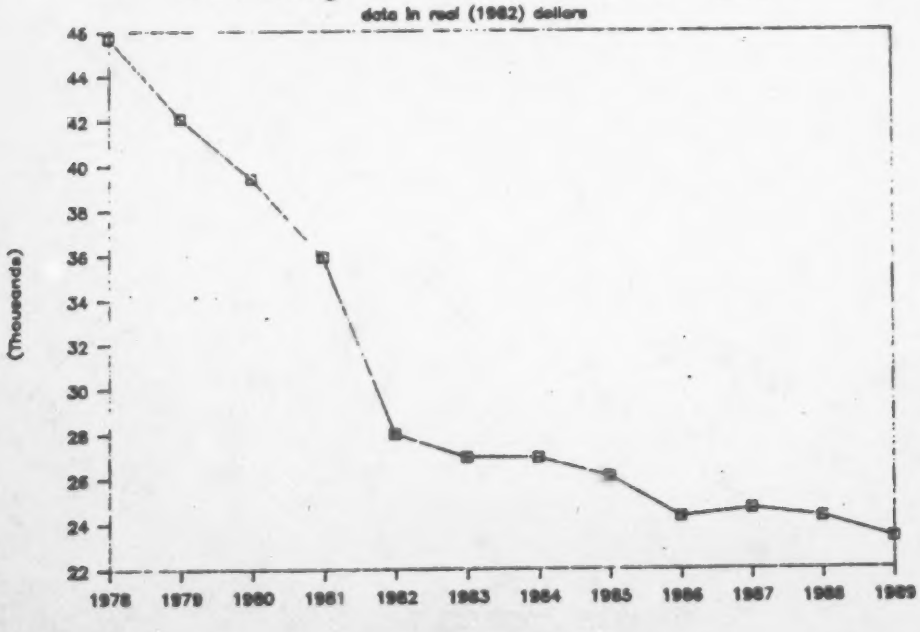
Table 2 reflects trends in actual outlays under economic development From 1982 to 1989, the Federal budget averagd $6.9 billion (from the first column) and decreased by $378 million (5.43 percent). This decrease has varied fairly evenly over this time period, as reflected by a coefficient of determination of 0.70. The BIA Economic Development Program averaged $52 million (from the first column), and has been decreasing at annual rate of $3.3 million (from the second column) or 6.29 percent (from the third column). This trend has been unsteady but substantial over the time period analyzed in this study. In ANA the average annual budget is $28.8 million and has increased at an annual rate of .2 million or .78 percent.

Table 4 identifies budget trends in real dollars during the Reagan administration. The Federal economic development budget averaged $6.2 billion (in 1982 real dollars) annually since 1982, and has been decreasing by $543 million (8.67 percent) annually, with steady variation. Similarly, the BIA Economic Development Program has suffered similar decreases, with a budget averaging $47 million (in real 1982 dollars) which decreases $4.3 million each year at 9.18 percent annually. The trend is highly variable and changes from year to year but continuously decreases throughout. ANA averaged $25.6 million (in real 1982 dollars) and has only received a decrease of $.65 million each year at 2.53 percent. This trend has been highly stable with a coefficient of determination of 0.93. (Graph No. 9, No. 10 and No. 11 illustrate these decreasing trends for the Federal economic development functional Budget, the BIA Economic Development Program and the Administration for Native Americans in real dollars.)

U.S. Economic Development Budget
FY 78 to FY
eal (1982) dollars
(Millions)
17
16
15
14
13
12
11
10
9
8
7
6
5
4
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989

GRAPH #9

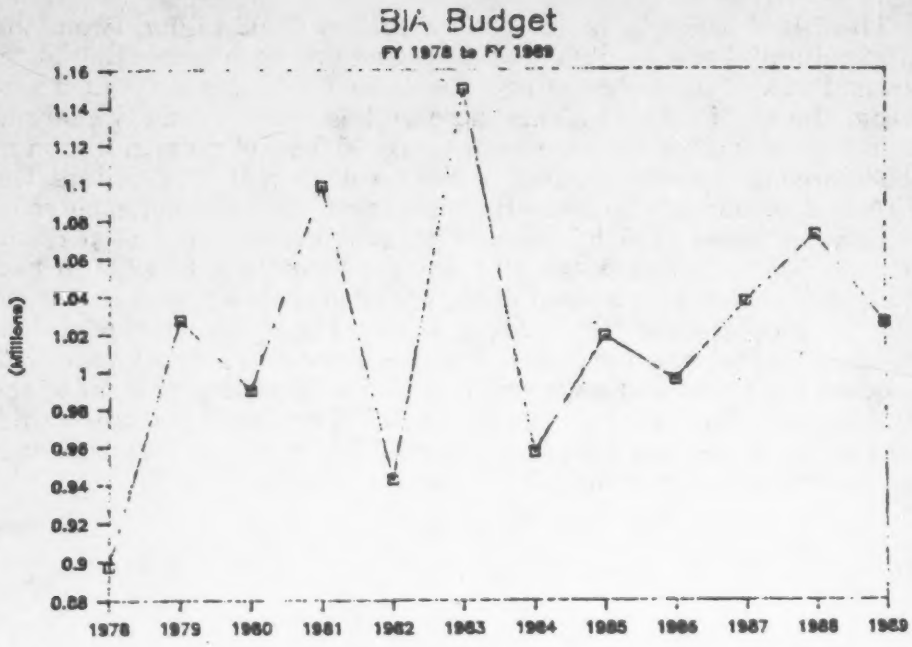
GRAPH #10



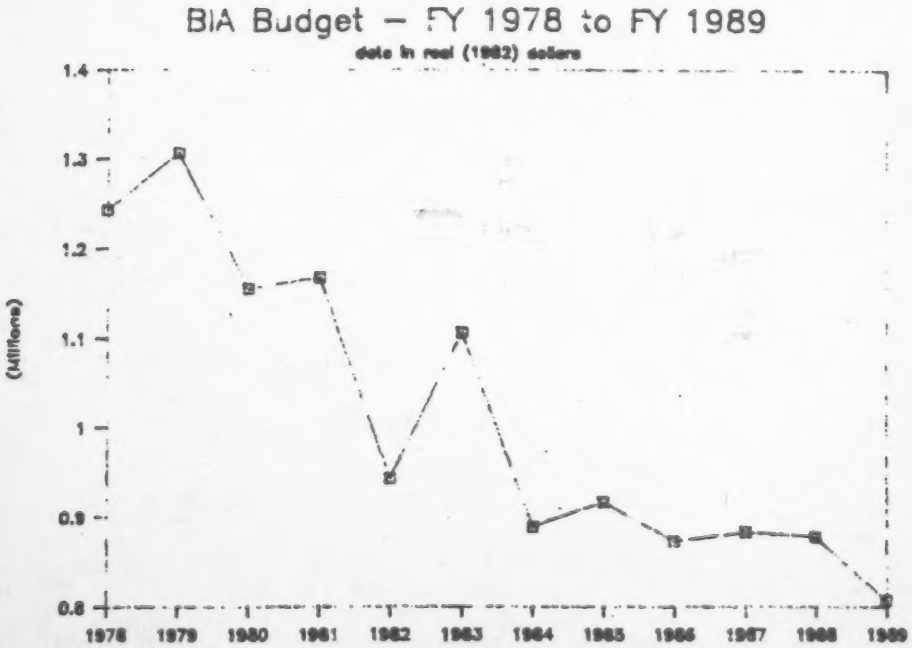
GRAPH #11

Overal Findings

The BIA budget in table 2 has averaged $1.02 billion (from the first column) between 1982 and 1989, and has been increasing at an annual rate of 4.8 million (from the second column) or 0.48 percent (from the third column). This increase has been gradually realized at a highly fluctuating rate with an coefficient of determination of 0.03 percent. When compared to the trend in real 1982 dollars, the BIA budget during the same time averaged $912 million each year, with a decrease of $25.7 million in real dollars at 2.82 percent. (Graph No. 12 presents the BIA Budget from 1978 to 1989 in real dollars. The decrease in real dollars is extremely significant. Graph No. 13 presents the BIA budget during the same time period in terms of actual appropriations and the President's fiscal year 1989 request the trend and apparent increase is deceiving in light of the real dollars illustrated in Graph No. 12. Even with continued BIA budget increases, the actual purchasing power of the BIA budget is decreasing at an extremely high rate.)



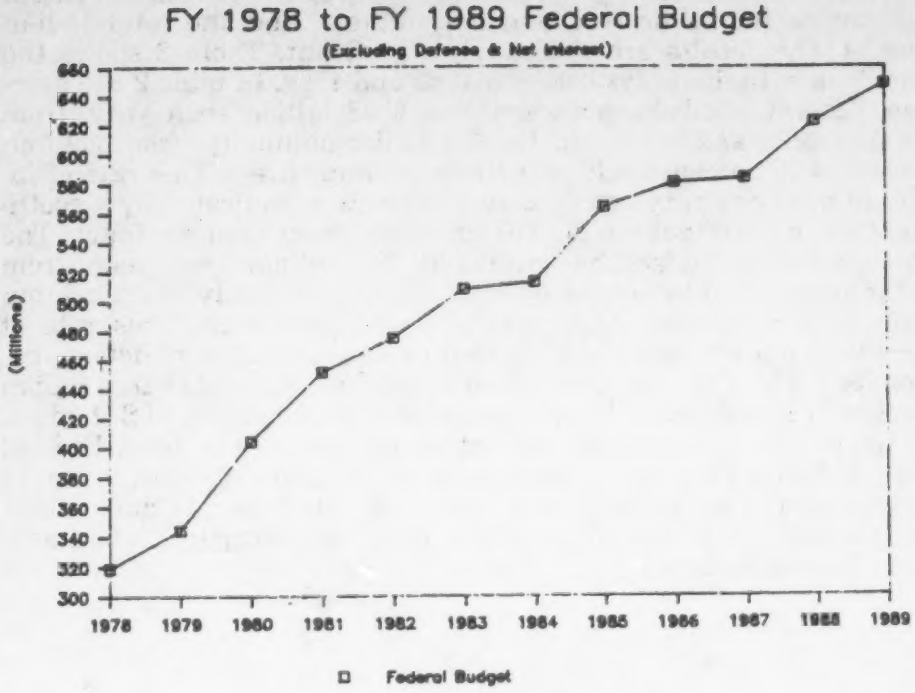
GRAPH #12



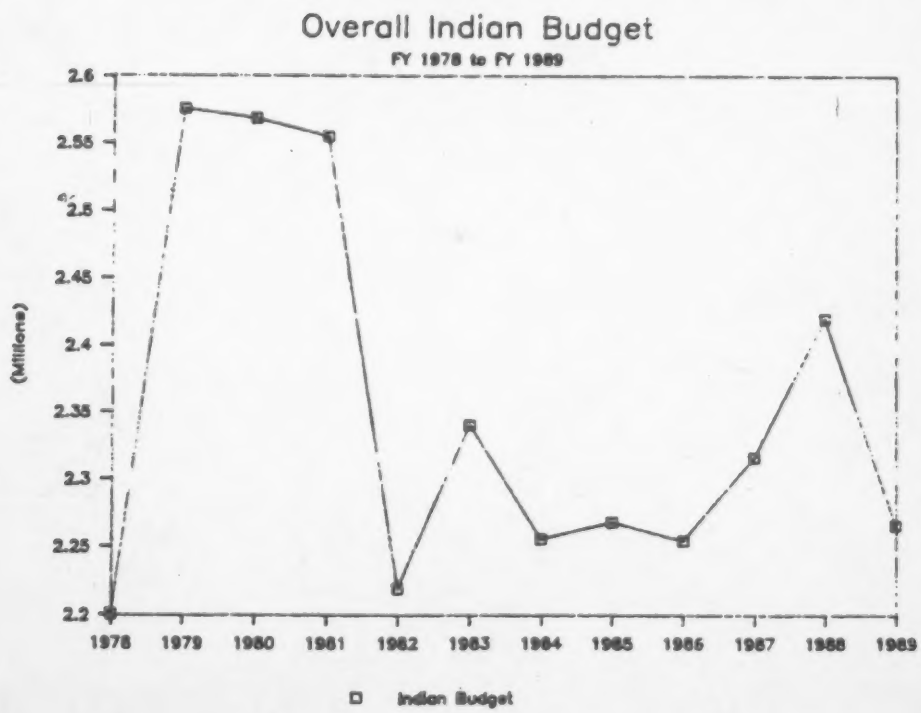
GRAPH #13

When looking over comparisons between the total Federal budget, excluding defense and net interest, and the total Indian budget, the results are profoundly significant. Table 2 shows the trends in actual outlays between 1982 and 1989. In table 2 the average Federal nondefense budget was $562 billion each year (from column one) and increased by $23 billion annually (from column two) at 4.26 percent each year (from column three). This rate of increase has been very steady over the years as indicated by a coefficient or determination of 0.97 percent (from column four). The overall Indian budget has averaged $2.2 billion each year (from column one) and increased by $10.6 million annually (from column two) at 0.46 percent each year (from column four). This rate of growth is not as steady as indicated by the coefficient of determination of 0.17. This level of growth between the U.S. and Indian budget is a difference of 3.29 percent in favor of the U.S. budget.

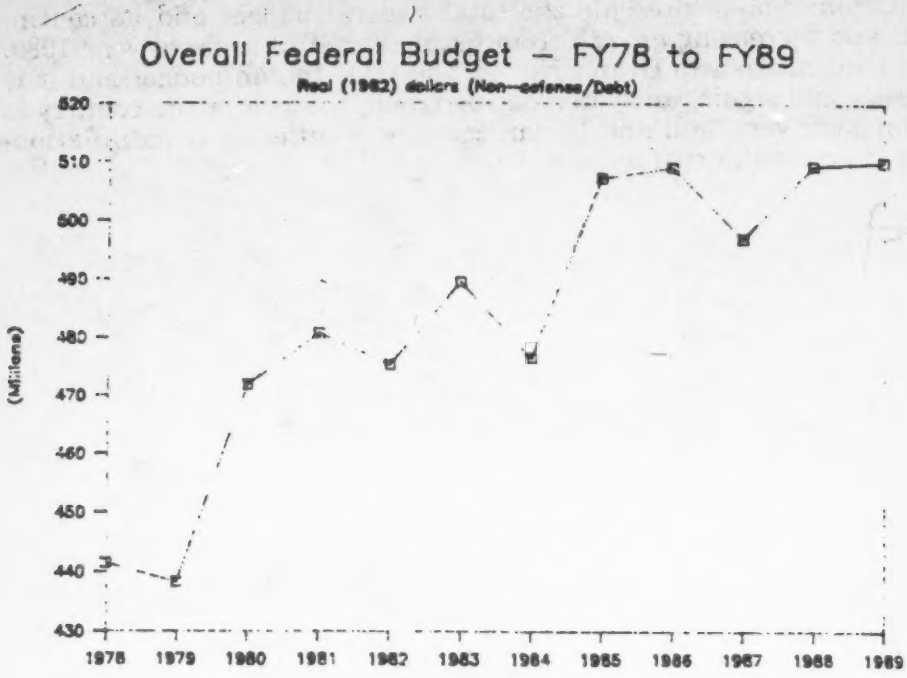
(Graph No. 14 presents the actual outlays in the total Federal budget during the last 10 years between 1978 to 1989. Graph No. 15 illustrates the actual outlays in the total Indian budget during that same time. The actual difference is even more startling when analyzed in real dollars.)


FY 1978 to FY 1989 Federal Budget
(Excluding Defense & Net Interest)
(Millions)
660
640
620
600
580
560
540
520
500
480
460
440
420
400
380
360
340
320
300
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
Federal Budget

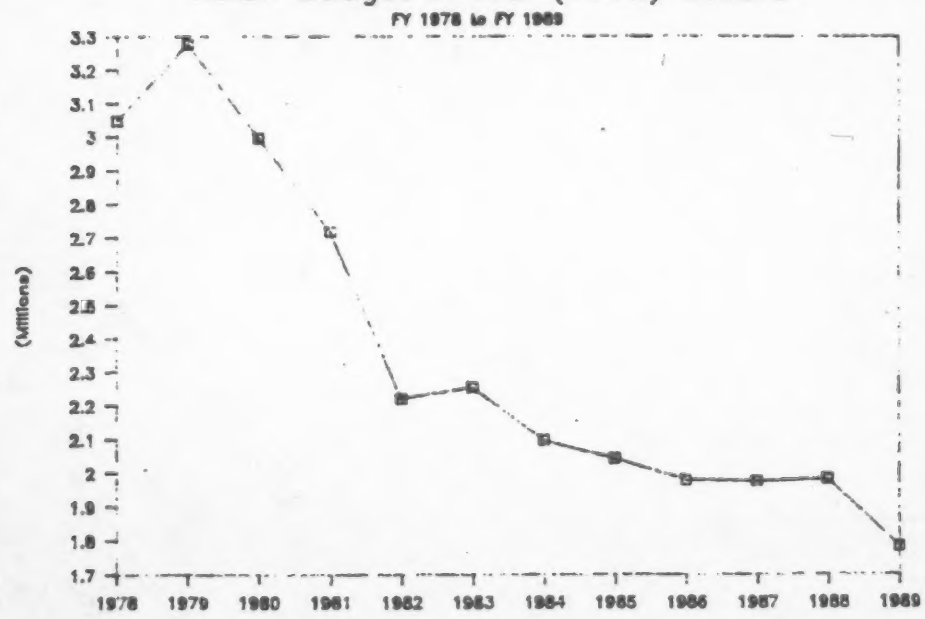
GRAPH #14


Overall Indian Budget
FY 1978 to FY 1989
(Millions)
2.6
2.55
2.5
2.45
2.4
2.35
2.3
2.25
2.2
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
Indian Budget

(Graph No. 16 presents the total Federal budget and its continous and increasing growth from fiscal year 1978 to fiscal year 1989. When compared to Graph No. 17, the total Indian budget and it is steady and significantly decreasing trend, the rest of the country is managing very well and indian country is suffering from inflationary decreases in real dollars.)



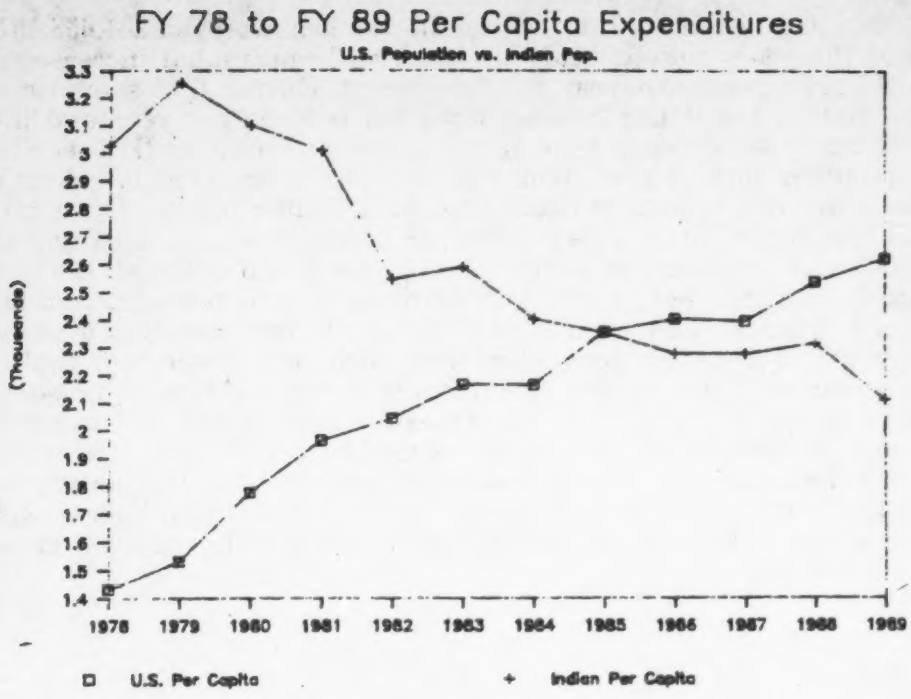
GRAPH #16



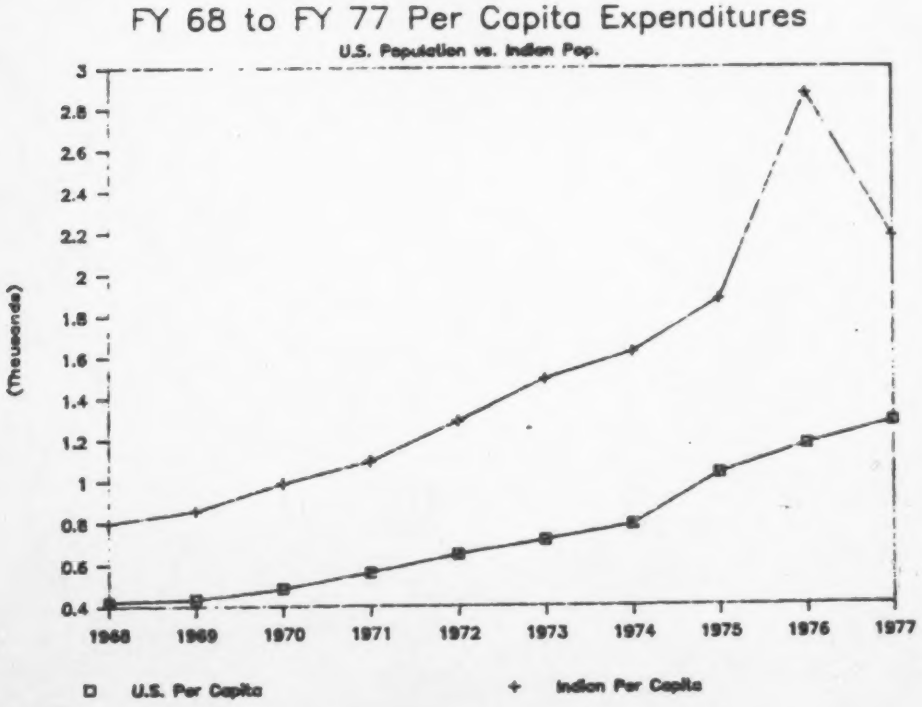
GRAPH #17

Population and Per Capita Expenditures

As noted in table I, the U.S. population has averaged 231,653,467 over the years between 1975 an 1989, with an annual increase of 2,317,250 persons per year at 1.00 percent. During that same time the Indian Population averaged 855,333 persons per year and increased by 34,836 each year at 4.07 percent. (Based on IHS service population data.) These population data were analyzed in relation to the overall Federal budget and overall Indian budget. Upon calculation a per capita expenditure per person was generated and is illustrated graphically. Graph No. 18 presents fiscal year 1968 to fiscal year 1977 per capital expenditures of both the U.S. population and the Indian population. During the late sixties and early seventies, the Indian population was receiving a higher per capita expenditure. This changes dramatically in the eighties, as presented in Graph No. 19, which illustrated the fiscal years 1978 to 1989. The U.S. population per capita expenditure increased and overcame the Indian per capita expenditure rate in 1985. It is anticipated that with inflationary increases in the U.S. Federal budget and decreases in the Total Indian Budget that this difference will grow even higher.



GRAPH #18



GRAPH #19